Journal of the Senate

FRIDAY, MAY 30, 2025

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Bill Introduced

Senate bill of the following title was introduced, read the first time and referred:

S. 157.

By Senators Douglass, Baruth, Beck, Bongartz, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Gulick, Harrison, Hart, Heffernan, Ingalls, Lyons, Major, Mattos, Norris, Perchlik, Plunkett, Ram Hinsdale, Weeks, Westman and Williams,

An act relating to recovery residence certification.

To the Committee on Health and Welfare.

Rules Suspended; Bills on Notice Calendar for Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills and Joint resolution, appearing on the Calendar for notice, were ordered to be brought up for immediate consideration:

S. 124, H. 472, S. 12, S. 126.

House Proposal of Amendment Concurred In

S. 124.

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Agency of Agriculture, Food, and Markets Regulation of Agricultural Water Quality * * *

Sec. 1. 6 V.S.A. § 4810(d) is amended to read:

(d) Cooperation and coordination. The Secretary of Agriculture, Food and Markets shall coordinate with the Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for reducing and eliminating agricultural nonpoint source pollutants and discharges from ~~concentrated animal feeding operations. On or before July 1, 2016, the~~ farms. The Secretary of Agriculture, Food and Markets ~~and the Secretary of Natural Resources~~ shall ~~revise the memorandum of understanding for~~ cooperate with the Secretary of Natural Resources in the implementation of the federal Clean Water Act for Concentrated Animal Feeding Operations (CAFOs). The Secretary of Agriculture, Food and Markets shall implement the State's comprehensive, complimentary nonpoint source program ~~describing~~. The Secretary of Agriculture, Food, and Markets and the Secretary of Natural Resources shall coordinate regarding program administration~~,~~; grant negotiation~~,~~; grant sharing~~, and how they will coordinate~~; implementation of the antidegradation policy including to new sources of agricultural nonpoint source pollutants, and watershed planning activities to comply with Pub. L. No. 92-500. ~~The memorandum of understanding shall describe how the agencies will implement the antidegradation implementation policy, including how the agencies will apply the antidegradation implementation policy to new sources of agricultural nonpoint source pollutants. The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall also develop a memorandum of understanding according to the public notice and comment process of 10 V.S.A. § 1259(i) regarding the implementation of the federal Concentrated Animal Feeding Operation Program and the relationship between the requirements of the federal Program and the State agricultural water quality requirements for large, medium, and small farms under this chapter. The memorandum of understanding shall describe Program administration, permit issuance, an appellate process, and enforcement authority and implementation.~~ In accordance with 10 V.S.A. § 1259(i), the Secretary of Natural Resources, in consultation with the U.S. Environmental Protection Agency and the Secretary of Agriculture, Food and Markets, shall issue a document that sets forth the respective roles and responsibilities of the Agency of Natural Resources in implementing the federal Clean Water Act on farms and the Agency of Agriculture, Food and Markets' roles and responsibilities in implementing the State's complementary nonpoint source program on farms. The ~~memorandum of understanding~~ document shall be consistent with and equivalent with the federal National Pollutant Discharge Elimination System permit regulations for discharges from ~~concentrated animal feeding operations~~ CAFOs. The document will replace the memorandum of understanding between the agencies. The allocation of duties under this chapter between the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall be consistent with the Secretary's

duties, established under the provisions of 10 V.S.A. § 1258(b), to comply with Pub. L. No. 92-500. The Secretary of Natural Resources shall be the State lead person in applying for federal funds under Pub. L. No. 92-500 but shall consult with the Secretary of Agriculture, Food and Markets during the process. The agricultural nonpoint source program may compete with other programs for competitive watershed projects funded from federal funds. The Secretary of Agriculture, Food and Markets shall be represented in reviewing these projects for funding. Actions by the Secretary of Agriculture, Food and Markets under this chapter concerning agricultural nonpoint source pollution shall be consistent with the water quality standards and water pollution control requirements of 10 V.S.A. chapter 47 and the federal Clean Water Act as amended. In addition, the Secretary of Agriculture, Food and Markets shall coordinate with the Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for the proper management of composting facilities when those facilities are located on a farm. ~~On or before January 15, 2016, the~~ The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall each develop three separate measures of the performance of the agencies under the ~~memorandum of understanding required by this subsection. Beginning on January 15, 2017~~ federal Clean Water Act and State nonpoint source regulatory authority, and annually ~~thereafter~~ on or before January 15, the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall submit separate reports to the Senate Committee on Agriculture, the House Committee on Agriculture, Food Resiliency, and Forestry, the Senate Committee on Natural Resources and Energy, and the House Committee on Environment ~~and Energy~~ regarding the success of each agency in meeting ~~the~~ its selected performance measures ~~for the memorandum of understanding~~.

Sec. 2. 6 V.S.A. § 4810a(a)(6) is amended to read:

(6)(A) Require a farm to comply with standards established by the Secretary for maintaining a vegetative buffer zone of perennial vegetation between annual croplands and the top of the bank of an adjoining water of the State. At a minimum the vegetative buffer standards established by the Secretary shall prohibit the application of manure on the farm within 25 feet of the top of the bank of an adjoining water of the State or within 10 feet of a ditch that is not a surface water under State law and that is not a water of the United States under federal law. The minimum vegetated buffer requirement required under this subdivision (A) shall not apply to a farm that is determined by the Secretary of Natural Resources to be a Concentrated Animal Feeding Operation and is required to obtain a CAFO permit as required under 10 V.S.A. § 1353. A farm determined to be a Concentrated Animal Feeding

Operation that requires a CAFO permit shall instead comply with the setback and buffer requirements established in the federal CAFO regulations.

(B) Establish standards for site-specific vegetative buffers that adequately address water quality needs based on consideration of soil type, slope, crop type, proximity to water, and other relevant factors.

Sec. 3. 6 V.S.A. § 4851 is amended to read:

§ 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

(a) No person shall, without a permit from the Secretary, construct a new barn, or expand an existing barn, designed to house more than 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks without a liquid manure handling system. No permit shall be required to replace an existing barn in use for livestock or domestic fowl production at its existing capacity. The Secretary of Agriculture, Food and Markets, in consultation with the Secretary of Natural Resources, shall review any application for a permit under this section with regard to water quality impacts ~~and,~~ prior to approval of a permit under this subsection~~, shall issue a written determination regarding whether the applicant has established that there will be no unpermitted discharge to waters of the State pursuant to the federal regulations for concentrated animal feeding operations~~. If, upon review of ~~an~~ a large farm application for a permit under this subsection, the Secretary of Agriculture, Food and Markets determines that the ~~permit applicant~~ farm may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets ~~and the Secretary of Natural Resources~~ shall ~~respond to~~ promptly refer the potential discharge to the Secretary of Natural Resources for response in accordance with ~~the memorandum of understanding~~ the federal Clean Water Act regarding concentrated animal feeding operations ~~under section 4810 of this title~~. The Secretary of Natural Resources ~~may require~~ shall direct a large farm to obtain a permit under 10 V.S.A. § 1263 ~~pursuant to~~ if required by federal regulations for concentrated animal feeding operations or by the VPDES CAFO Rules. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for Concentrated Animal Feeding Operations, the Secretary of Natural Resources shall promptly notify the Secretary of Agriculture, Food and Markets.

(b) A person shall apply for a permit in order to operate a farm that exceeds 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal

calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks ~~if the livestock or domestic fowl are in a barn or adjacent barns owned by the same person or if the barns share a common border or have a common waste disposal system~~ without a liquid manure handling system. Two or more individual farms that are under common ownership and that adjoin each other or use a common area or system for the disposal of wastes shall be considered a single animal feeding operation or "farm" when determining whether the combined number of livestock or domestic fowl qualifies the farm as a Large Farm Operation under this section. In order to receive this permit, the person shall demonstrate to the Secretary that the farm has an adequately sized manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(c) The Secretary shall approve, condition, or disapprove the application within 45 business days ~~of~~ following the date of receipt of a complete application for a permit under this section. Failure to act within the 45 business days shall be deemed approval.

(d) A person seeking a permit under this section shall apply in writing to the Secretary. The application shall include a description of the proposed barn or expansion of livestock or domestic fowl; a proposed nutrient management plan to accommodate the number of livestock or domestic fowl the barn is designed to house or the farm is intending to expand to; and a description of the manure management system to be used to accommodate agricultural wastes.

(e) The Secretary may condition or deny a permit on the basis of odor, noise, traffic, insects, flies, or other pests.

(f) Before granting a permit under this section, the Secretary shall make an affirmative finding that the animal wastes generated by the construction or expansion will be stored so as not to generate runoff from a 25-year, 24-hour storm event and shall be disposed of in accordance with the Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(g) A farm that is permitted under this section and that withdraws more than 57,600 gallons of groundwater per day averaged over any 30 consecutive-

day period shall annually report estimated water use to the Secretary of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets shall share information reported under this subsection with the Agency of Natural Resources.

(h) The Secretary may inspect a farm permitted under this section at any time, but ~~no~~ not less frequently than once per year.

(i) A person required to obtain a permit under this section shall submit an annual operating fee of $2,500.00 to the Secretary. During any calendar year in which a person has an active Large Concentrated Animal Feeding Operation permit issued by the Agency of Natural Resources pursuant to the federal Clean Water Act and pays the required associated fee, that person shall not be required to pay the $2,500.00 annual operating fee described in this section. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 4. 6 V.S.A. § 4858 is amended to read:

§ 4858. MEDIUM FARM OPERATION PERMITS

(a) Authorization to operation. No person shall operate a medium farm without authorization from the Secretary pursuant to this section. Under exceptional conditions, specified in subsection (d) of this section, authorization from the Secretary may be required to operate a small farm.

(b) Rules; general and individual permits. The Secretary shall establish by rule, pursuant to 3 V.S.A. chapter 25, requirements for a general permit and individual permit to assure that medium and small farms generating animal waste comply with the water quality standards of the State.

(1) General and individual permits issued under this section shall be consistent with rules adopted under this section, shall include terms and conditions appropriate to each farm size category and each farm animal type as defined by section 4857 of this title, and shall meet standards at least as stringent as those established by federal regulations for concentrated animal feeding operations. Such standards shall address waste management, waste storage, development of nutrient management plans, carcass disposal, and surface water and groundwater contamination, plus recordkeeping, reporting, and monitoring provisions regarding such matters to ensure that the terms and conditions of the permit are being met. The groundwater contamination rules adopted by the Secretary under this section shall include a process under which the Agency shall receive, investigate, and respond to a complaint that a farm has contaminated the drinking water or groundwater of a property owner.

(2) The rules adopted under this section shall also address permit administration, public notice and hearing, permit enforcement, permit

transition, revocation, and appeals consistent with provisions of sections 4859 and 4861 of this title and subchapter 10 of this chapter.

(3) Each general permit issued pursuant to this section shall have a term of ~~no~~ not more than five years. Prior to the expiration of each general permit, the Secretary shall review the terms and conditions of the general permit and may issue subsequent general permits with the same or different conditions as necessary to carry out the purposes of this subchapter. Each general permit shall include provisions that require public notice of the fact that a medium farm has sought coverage under a general permit adopted pursuant to this section. Each general permit shall provide a process by which interested persons can obtain detailed information about the nature and extent of the activity proposed to receive coverage under the general permit. The Secretary may inspect each farm seeking coverage under the general permit at any time but ~~no~~ not less frequently than once every three years.

(c)~~(1)~~ Medium farm general permit.

(1) The owner or operator of a medium farm seeking coverage under a general permit adopted pursuant to this section shall certify to the Secretary within a period specified in the permit, and in a manner specified by the Secretary, that the medium farm does comply with permit requirements regarding an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards. Any certification or notice of intent to comply submitted under this subdivision shall be kept on file at the Agency of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets, in consultation with the Secretary of Natural Resources, shall review any certification or notice of intent to comply submitted under this subdivision with regard to the water quality impacts of the medium farm for which the owner or operator is seeking coverage, and, for farms that have never been permitted under the prior permit term, within 18 months ~~of~~ after receiving the certification or notice of intent to comply, the Secretary of Natural Resources shall verify whether the owner or operator of the medium farm has established that there will be no unpermitted discharge to waters of the State pursuant to the federal regulations for concentrated animal feeding operations. If upon review ~~of a medium farm granted coverage under the general permit adopted pursuant to this subsection~~ the Secretary of Agriculture, Food and Markets determines that the ~~permit applicant~~ medium farm may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets ~~and~~ shall promptly notify the Secretary of Natural Resources ~~shall respond to the discharge~~ in accordance with ~~the memorandum of understanding~~ the federal Clean Water Act regarding

concentrated animal feeding operations ~~under section 4810 of this title~~. The Secretary of Natural Resources shall direct a medium farm to obtain a permit under 10 V.S.A. § 1263 if required by federal regulations for concentrated animal feeding operations or by the VPDES CAFO Rules. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for concentrated animal feeding operations, the Secretary of the Agency of Natural Resources shall promptly notify the Secretary of Agriculture, Food and Markets.

(2) The owner or operator of a small farm may seek coverage under the medium farm general permit adopted pursuant to this section by certifying to the Secretary, in a manner specified by the Secretary, that the small farm complies with the requirements and conditions of the medium farm general permit.

(d) Medium and small farms; individual permit. The Secretary may require the owner or operator of a small or medium farm to obtain an individual permit to operate after review of the farm's history of compliance, application of Required Agricultural Practices, the use of an experimental or alternative technology or method to meet a State performance standard, or other factors set forth by rule. The owner or operator of a small farm may apply to the Secretary for an individual permit to operate under this section. To receive an individual permit, an applicant shall in a manner prescribed by rule demonstrate that the farm has an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards, including setback requirements for waste application. An individual permit shall be valid for ~~no~~ not more than five years. Any application for an individual permit filed under this subsection shall be kept on file at the Agency of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets, in consultation with the Agency of Natural Resources, shall review any application for a permit under this subsection ~~and, prior to issuance of an individual permit under this subsection, shall issue a written determination regarding whether the permit applicant has established that there will be no unpermitted discharge to waters of the State pursuant to federal regulations for concentrated animal feeding operations~~. If, upon review of ~~an application for a permit under this subsection~~ a permit application, the Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets ~~and~~ shall promptly refer the farm to the Secretary of Natural Resources ~~shall respond to the discharge~~ for response in accordance with ~~the memorandum of understanding~~ ~~regarding concentrated~~

~~animal feeding operations under subsection 4810(b) of this title~~ the federal Clean Water Act. The Secretary of Natural Resources ~~may require~~ shall direct a medium or small farm to obtain a permit under 10 V.S.A. § 1263 ~~pursuant to~~ if required by federal regulations for concentrated animal feeding operations or by the VPDES CAFO Rules. Coverage of a medium farm under a general permit adopted pursuant to this section or an individual permit issued to a medium or small farm under this section is rendered void by the issuance of a permit to a farm under 10 V.S.A. § 1263. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for concentrated animal feeding operations, the Secretary of the Agency of Natural Resources shall promptly refer the matter to the Secretary of Agriculture, Food and Markets.

(e) Operating fee. A person required to obtain a permit or coverage under this section shall submit an annual operating fee of $1,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 5. 6 V.S.A. § 4816 is amended to read:

§ 4816. SEASONAL APPLICATION OF MANURE

(a) Prohibition on application. A person shall not apply manure to land in the State between December 15 and April 1 of any calendar year unless authorized by this section or as authorized under an emergency exemption granted by the Secretary according to criteria set forth under the Required Agricultural Practices.

(b) Extension of prohibition. The Secretary of Agriculture, Food and Markets shall amend the Required Agricultural Practices by rule in order to establish a process under which the Secretary may prohibit the application of manure to land in the State between December 1 and December 15 and between April 1 and April 30 of any calendar year when the Secretary determines that due to weather conditions, soil conditions, or other limitations, application of manure to land would pose a significant potential of discharge or runoff to State waters.

(c) Seasonal exemption. The Secretary of Agriculture, Food and Markets shall amend the Required Agricultural Practices by rule in order to establish a process under which the Secretary may authorize an exemption to the prohibition on the application of manure to land in the State between December 15 and April 1 of any calendar year or during any period established under subsection (b) of this section when manure is prohibited from application. Any process established for the issuance of an exemption under the Required Agricultural Practices may authorize land application of manure

on a weekly, monthly, or seasonal basis or in authorized regions, areas, or fields in the State, provided that any exemption shall:

(1) prohibit application of manure:

(A) in areas with established channels of concentrated stormwater runoff to surface waters, including ditches and ravines;

(B) in nonharvested permanent vegetative buffers;

(C) in a nonfarmed wetland, as that term is defined in 10 V.S.A. § 902(5);

(D) within 50 feet of a potable water supply, as that term is defined in 10 V.S.A. § 1972(6);

(E) to fields exceeding tolerable soil loss; and

(F) to saturated soils;

(2) establish requirements for the application of manure when frozen or snow-covered soils prevent effective incorporation at the time of application;

(3) require manure to be applied according to a nutrient management plan; and

(4) establish the maximum tons of manure that may be applied per acre during any one application.

Sec. 6. 6 V.S.A. § 4871(b) is amended to read:

(b) Required small farm certification. Beginning on July 1, 2017, a person who owns or operates a small farm, as designated by the Secretary consistent with subdivision 4810a(a)(1) of this title, shall, on a form provided by the Secretary, certify compliance with the Required Agricultural Practices. The Secretary of Agriculture, Food and Markets shall establish the requirements and manner of certification of compliance with the Required Agricultural Practices, provided that the Secretary shall require an owner or operator of ~~a~~ any newly eligible or identified small farm to submit ~~an annual~~ a certification of compliance with the Required Agricultural Practices and may require any small farm to regularly certify ongoing compliance with the Required Agricultural Practices.

* * * Agency of Natural Resources Regulation of Concentrated Animal Feeding Operations * * *

Sec. 7. 10 V.S.A. § 1251 is amended to read:

§ 1251. DEFINITIONS

Whenever used or referred to in this chapter, unless a different meaning clearly appears from the context:

* * *

(3) "Discharge" means the placing, depositing, or emission of any wastes or pollutants, directly or indirectly, into an injection well or into the waters of the State.

* * *

(11) "Secretary" means the Secretary of Natural Resources or ~~his or her~~ authorized representative.

(12) "Waste" means effluent, sewage, or any substance or material, liquid, gaseous, solid, or radioactive, including heated liquids, whether or not harmful or deleterious to waters; provided, however, the term "sewage" as used in this chapter shall not include the rinse or process water from a cheese manufacturing process.

(13) "Waters" or "waters of the State" includes all rivers, streams, creeks, brooks, reservoirs, ponds, lakes, springs, ~~and~~ all artificial or natural bodies of surface waters~~, artificial or natural,~~ and waters of the United States, as that term is defined under the federal Clean Water Act, that are contained within, flow through, or border upon the State or any portion of it.

* * *

(20) "Direct discharge" means the placing, depositing, or emission of any waste or pollutant directly into waters.

(21) "Pollutant" means dredged spoil; solid waste; incinerator residue; sewage; garbage; sewage sludge; munitions; chemical wastes; biological materials; radioactive materials; heat; wrecked or discarded equipment; rock; sand; cellar dirt; and industrial, municipal, and agricultural waste discharged into water.

Sec. 8. 10 V.S.A. chapter 47, subchapter 3A is added to read:

Subchapter 3A. Concentrated Animal Feeding Operations

§ 1351. DEFINITIONS

As used in this subchapter:

(1) "Agricultural waste" means material originating or emanating from a farm or imported onto a farm that contains sediments; minerals, including heavy metals; plant nutrients; pesticides; organic wastes, including livestock waste; animal mortalities; compost; feed, litter, and crop debris; waste oils; pathogenic bacteria and viruses; thermal pollution; silage runoff; process

wastewater, untreated milk house waste; and any other farm waste as the term "waste" is defined in subdivision 1251(12) of this chapter.

(2)(A) "Animal feeding operation" or "AFO" means a lot or facility, other than an aquatic animal production facility, where the following conditions are met:

(i) animals, other than aquatic animals, have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period; and

(ii) crops, vegetation, or forage growth are not sustained in the normal growing season over any portion of the lot or facility.

(B) Two or more individual farms qualifying as an AFO that are under common ownership and that adjoin each other or use a common area or system for the disposal of waste shall be considered to be a single AFO if the combined number of livestock or domestic fowl on the combined farm qualifies the combined farm as a large CAFO as defined in subdivision (5) of this section or as a medium CAFO as defined in subdivision (8) of this section.

(3) "Concentrated animal feeding operation" or "CAFO" means an AFO that is defined as a large CAFO, a medium CAFO, or a small CAFO.

(4) "Land application area" means the area under the control of an AFO or CAFO owner or operator, whether it is owned, rented, or leased, to which manure, litter, or process wastewater may be applied.

(5) "Large concentrated animal feeding operation" or "Large CAFO" means an AFO that houses 700 or more mature dairy animals, 1,000 or more cattle or cow or calf pairs, 1,000 or more veal calves, 2,500 or more swine weighing over 55 pounds, 10,000 or more swine weighing 55 pounds or less, 500 or more horses, 10,000 or more sheep or lambs, 55,000 or more turkeys, 30,000 or more laying hens or broilers with a liquid manure handling system, 82,000 or more laying hens without a liquid manure handling system, 125,000 or more chickens other than laying hens without a liquid manure handling system, 5,000 or more ducks with a liquid manure handling system, or 30,000 or more ducks without a liquid manure handling system.

(6) "Large farm operation" or "LFO" has the same meaning as in 6 V.S.A. chapter 215.

(7) "Manure" means livestock waste in solid or liquid form that may also contain bedding, compost, and raw materials or other materials commingled with manure or set aside for disposal.

(8) "Medium concentrated animal feeding operation" or "medium CAFO" means an AFO that is defined as an AFO by the VPDES CAFO Rules adopted by the Secretary, including an AFO that:

(A) houses 200 to 699 mature dairy animals, 300 to 999 cattle or cow or calf pairs, 300 to 999 veal calves, 750 to 2,499 swine weighing over 55 pounds, 3,000 to 9,999 swine weighing 55 pounds or less, 150 to 499 horses, 3,000 to 9,999 sheep or lambs, 16,500 to 54,999 turkeys, 9,000 to 29,999 laying hens or broilers with a liquid manure handling system, 25,000 to 81,999 laying hens without a liquid manure handling system, 37,500 to 124,999 chickens other than laying hens without a liquid manure handling system, 1,500 to 4,999 ducks with a liquid manure handling system, or 10,000 to 29,999 ducks without a liquid manure handling system; and

(B) either of the following conditions are met:

(i) wastes are discharged into waters through a man-made ditch, flushing system, or other similar man-made device; or

(ii) wastes are discharged directly into waters that originate outside of or pass over, across, or through the facility or otherwise come into direct contact with the animals confined in the operation.

(9) "Medium farm operation" or "MFO" has the same meaning as medium farm operation in 6 V.S.A chapter 215 and rules adopted under the chapter.

(10) "Point source" means any discernible, confined, and discrete conveyance, including any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft from which pollutants are or may be discharged. This term does not include agricultural stormwater discharges and return flows from irrigated agriculture.

(11) "Process wastewater" means water directly or indirectly used in the operation of an AFO or CAFO for any or all of the following: spillage or overflow from animal or poultry watering systems; washing, cleaning, or flushing pens, barns, manure pits, or other AFO or CAFO facilities; direct contact swimming, washing, or spray cooling of animals; or dust control. Process wastewater also includes any water that comes into contact with any raw materials, products, or byproducts, including manure, litter, feed, milk, eggs, or bedding.

(12) "Production area" means that part of an AFO or CAFO that includes the animal confinement area, the manure storage area, the raw materials storage area, and the waste containment areas. The animal confinement area includes open lots, housed lots, feedlots, confinement

houses, stall barns, free stall barns, milkrooms, milking centers, cowyards, barnyards, medication pens, walkers, animal walkways, and stables. The manure storage area includes lagoons, runoff ponds, storage sheds, stockpiles, under house or pit storages, liquid impoundments, static piles, and composting piles. The raw materials storage area includes feed silos, silage bunkers, and bedding materials. The waste containment area includes settling basins, and areas within berms and diversions that separate uncontaminated storm water. Also included in the definition of production area is any egg washing or egg processing facility and any area used in the storage, handling, treatment, or disposal of mortalities.

(13) "Secretary" means the Secretary of Natural Resources.

(14) "Small animal feeding operation" or "SFO" means an AFO that is not a large CAFO or a medium CAFO.

(15) "Small concentrated animal feeding operation" or "small CAFO" means a small AFO designated as a small CAFO by the Secretary upon determining that the AFO is a significant contributor of pollutants to waters of the State and is defined as a CAFO by the regulations adopted under the federal Clean Water Act.

(16) "Waters of the United States" shall have the same meaning as defined by the federal Clean Water Act.

§ 1352. POWERS OF THE SECRETARY

The Secretary has the authority to exercise all of the following:

(1) Implement the federal Clean Water Act to administer a Vermont pollutant discharge elimination system (VPDES) CAFO program that is at least as stringent as the federal Clean Water Act and enabling rules.

(2) Make, adopt, revise, and amend rules as necessary to administer a VPDES CAFO program that is at least as stringent as the federal Clean Water Act and enabling rules.

(3) Make, adopt, revise, and amend procedures, guidelines, inspection checklists, and other documents as necessary for the administration of the VPDES CAFO program.

(4) Designate any AFO that meets the definition of a CAFO under the federal Clean Water Act regulations or under the VPDES CAFO Rule as a CAFO, in the Secretary's sole discretion.

(5) Require any AFO to obtain a CAFO permit under this chapter upon a determination that the AFO is discharging to waters of the State.

(6) Designate any small AFO as a CAFO if after an on-site inspection, the Secretary determines that the small AFO is discharging into water and is a significant contributor of pollutants to waters of the State. The Secretary shall consider the following factors:

(A) the size of the AFO and the amount of wastes reaching waters;

(B) the location of the AFO relative to waters;

(C) the means of conveyance of animal wastes and process waste waters into waters;

(D) the slope, vegetation, rainfall, and other factors affecting the likelihood or frequency of discharge of animal wastes manure and process waste waters into waters; and

(E) other relevant factors.

(7) Access private or public property to inspect AFOs and CAFOs, take photos and samples, and review and copy AFO and CAFO land management records, including nutrient management plans, as may be necessary to carry out the provisions of this subchapter.

(8) Solicit and receive federal funds to implement the CAFO program.

(9) Cooperate fully with the federal government or other agencies in the operation of any joint federal-state programs concerning the regulation of agricultural pollution.

(10) Appoint assistants or contract with persons with applicable expertise, subject to applicable laws and State policies, to perform or assist in the performance of the duties and functions of the Secretary under this chapter.

§ 1353. CAFO PERMIT REQUIREMENTS AND EXEMPTIONS

(a) The discharge of manure, litter, or process wastewater to waters of the State from a permitted CAFO as a result of the application of that manure, litter, or process wastewater by the CAFO to land areas under its control is a discharge from that CAFO subject to VPDES permit requirements, except where it is an agricultural stormwater discharge as provided under the federal Clean Water Act. For purposes of this subsection, where the manure, litter, or process wastewater has been applied in accordance with the federal regulations under the Clean Water Act, a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of a CAFO is an agricultural stormwater discharge. For unpermitted Large CAFOs, a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of the CAFO shall be considered an exempt agricultural stormwater discharge only where the manure, litter, or process

wastewater has been land applied in accordance with site-specific nutrient management practices that ensure appropriate agricultural utilization of the nutrients in the manure, litter, or process wastewater, as determined by the Secretary.

(b) All MFOs and LFOs shall maintain documentation of a nutrient management plan and practices on site or at a nearby office and make the documentation readily available to the Secretary upon request.

(c) The presumption in 6 V.S.A. § 4810(b) that farms in compliance with the Agency of Agriculture, Food and Markets' Required Agricultural Practices Rule are not discharging is not applicable to any AFO determined by the Secretary's decision to be a CAFO.

Sec. 9. COMMUNITY STAKEHOLDER GROUP ON AGRICULTURAL WATER QUALITY

(a) On or before December 1, 2025, the Secretary of Natural Resources, in coordination with the Secretary of Agriculture, Food and Markets, shall engage key stakeholder regarding the implementation and transition to a Concentrated Animal Feeding Operation (CAFO) program that conforms with the Clean Water Act. The process also shall include public notice and informational hearings to provide updates on the CAFO program and gather broad public input. The stakeholder engagement process shall include opportunities for the following stakeholders to provide input: the agricultural community, including livestock farmers; farm groups; agricultural consultants; and the environmental community, including watershed groups and water quality experts. The Secretary shall solicit input from stakeholders on:

(1) the establishment of a CAFO permitting program administered by the Secretary of Natural Resources that ensures compliance with the Clean Water Act's requirement that no farm discharges in violation of the Clean Water Act's CAFO permit requirements;

(2) how to align the CAFO program most effectively with water quality programs administered by the Secretary of Agriculture, Food, and Markets;

(3) how to best create regulatory clarity for agricultural producers for the long term that is consistent with the Clean Water Act, whether within a two-agency regulatory system or through a full transfer of regulatory authority to the Agency of Natural Resources;

(4) the resources, technical assistance, and regulatory structure necessary to create a path to compliance for agricultural producers that maintain CAFOs, AFOs, and other farms; and

(5) feedback on implementing regulatory structures similar to other states, including the New York State Department of Environmental Protection CAFO Program.

(b) On or before February 15, 2026, the Secretary of Natural Resources shall file a report with the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and the Senate Committees on Agriculture and on Natural Resources and Energy. The report shall:

(1) summarize the stakeholder process, including public comments received;

(2) summarize public input received during rulemaking;

(3) assess whether the regulatory structure for administering agricultural water quality requirements in the State is sufficient to ensure that water pollution is controlled consistent with the Clean Water Act or whether sole regulation by the Agency of Natural Resources over water quality on farms, should be implemented; and

(4) recommend any statutory amendment or other changes related to implementation of the CAFO program and agricultural water quality regulation more generally.

(c) The Secretary of Natural Resources shall, as part of the report required under this section, propose a plan for inspection of animal feeding operations (AFOs) potentially subject to the requirements for a CAFO permit under 10 V.S.A. chapter 47, subchapter 3A. The plan shall include:

(1) a proposal of which AFOs should be subject to inspection, including whether all large farm operations and medium farm operations must be inspected to determine if a CAFO permit is required;

(2) a proposed schedule of inspection of those AFOs subject to inspection, including the frequency of inspection or events or thresholds that would require inspection; and

(3) an estimate of the staffing or other resources that would be required to implement the proposed inspection plan.

Sec. 10. 10 V.S.A. § 1259 is amended to read:

§ 1259. PROHIBITIONS

(a) No person shall discharge any waste, substance, or material into waters of the State, nor shall any person discharge any waste, substance, or material into an injection well or discharge into a publicly owned treatment works any waste that interferes with, passes through without treatment, or is otherwise incompatible with those works or would have a substantial adverse effect on

those works or on water quality, without first obtaining a permit for that discharge from the Secretary. This subsection shall not prohibit the proper application of fertilizer to fields and crops, nor reduce or affect the authority or policy declared in Joint House Resolution 7 of the 1971 Session of the General Assembly.

* * *

(f) ~~The provisions of subsections (c), (d), and (e) of this section shall not regulate~~ Provided that the introduction of wastes are from sources that do not discharge pollutants from a point source into waters of the State, and comply with the federal Clean Water Act and federal CAFO regulation, the following activities shall not require a VPDES permit under section 1263 of this title:

(1) required agricultural practices, as adopted by rule by the Secretary of Agriculture, Food and Markets~~,~~; or

(2) accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices ~~which~~ that are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation~~; nor shall these provisions regulate discharges from concentrated animal feeding operations that require a permit under section 1263 of this title; nor shall those provisions prohibit stormwater runoff or the discharge of nonpolluting wastes, as defined by the Secretary~~.

* * *

(i) The Secretary ~~of Natural Resources, to the extent compatible~~ shall regulate AFOs in accordance with federal requirements, ~~shall delegate to~~ and the VPDES CAFO Rules, and the Secretary of Agriculture, Food and Markets shall implement the State ~~agricultural non-point~~ nonpoint source pollution control program planning, implementation, and regulation. ~~A memorandum of understanding shall be adopted for this purpose, which shall address implementation grants, the distribution of federal program assistance, and the development of land use performance standards. Prior to executing the memorandum, the Secretary of State shall arrange for two formal publications of information relating to the proposed memorandum. The information shall consist of a summary of the proposal; the name, telephone number, and address of a person able to answer questions and receive comments on the proposal; and the deadline for receiving comments. Publication shall be subject to the provisions of 3 V.S.A. § 839(d), (e), and (g), relating to the publication of administrative rules~~ This concurrent authority ensures comprehensive water quality protection and implements equivalent State nonpoint source pollution controls on farms not covered by the Clean Water

Act. The Agencies shall cooperate and share information to enable effective and consistent regulation and enforcement. Not later than September 1, 2025, the Agency of Natural Resources in consultation with the U.S. Environmental Protection Agency and the Agency of Agriculture, Food and Markets, shall issue a document that sets forth the respective roles and responsibilities of the Agency of Natural Resources in implementing the Clean Water Act on farms and responsibilities of the Agency of Agriculture, Food and Markets in implementing the State's complementary nonpoint source program on farms. The document shall replace the existing memorandum of understanding between the agencies. The Secretary shall post the draft document and information regarding the document on the Agency's website, shall issue public notice by press release and social media, shall submit the draft documents to the Senate Committees on Agriculture and on Natural Resources and Energy and the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment, and shall allow for public comment. The proposed ~~memorandum of understanding~~ document shall be available for 30 days after the final date of publication for public review and comment ~~prior to being executed by the Secretary of Natural Resources and the Secretary of Agriculture, Food and Markets~~. The Secretary of Natural Resources ~~and~~ in consultation with the Secretary of Agriculture, Food and Markets ~~annually~~ shall review ~~the memorandum of understanding~~ the document every five years to ensure compliance with the requirements of the Clean Water Act ~~and the provisions of section 1258 of this title~~. If the ~~memorandum~~ document is substantially revised, it first shall be noticed in the same manner that applies to the initial memorandum. Actions by the Secretary of Agriculture, Food and Markets under this section shall be consistent with the water quality standards and water pollution control requirements of chapter 47 of this title and the federal Clean Water Act as amended.

* * *

Sec. 11. 10 V.S.A. § 1263 is amended to read:

§ 1263. DISCHARGE PERMITS

(a) Any person who intends to discharge waste into the waters of the State or who intends to discharge into an injection well or who intends to discharge into any publicly owned treatment works any waste that interferes with, passes through without treatment, or is otherwise incompatible with that works or would have a substantial adverse effect on that works or on water quality, or is required to apply for a CAFO permit, shall make application to the Secretary for a discharge permit. Application shall be made on a form prescribed by the Secretary. An applicant shall pay an application fee in accordance with 3 V.S.A. § 2822.

(b) When an application is filed under this section, the Secretary shall proceed in accordance with chapter 170 of this title. The Secretary may require any applicant to submit any additional information that the Secretary considers necessary ~~and~~, before issuing a permit application completeness determination. The Secretary may take appropriate steps to secure compliance, refuse to grant a permit, or permission to discharge under the terms of a general permit, until the information is furnished and evaluated.

* * *

(g) ~~Notwithstanding any other provision of law, any~~ Any person who owns or operates a concentrated animal feeding operation that requires a permit under the federal National Pollutant Discharge Elimination System permit regulations or the VPDES CAFO Rules shall submit an application to the Secretary for a discharge permit and pay the required fees specified in 3 V.S.A. § 2822. ~~On or before July 1, 2007, the Secretary of Natural Resources shall adopt rules implementing the federal National Pollutant Discharge Elimination System permit regulations for discharges from concentrated animal feeding operations. Until such regulations are adopted, the substantive permitting standards and criteria used by the Secretary to evaluate applications and issue or deny discharge permits for concentrated animal feeding operations shall be those specified by federal regulations. The Secretary may issue an individual or general permit for these types of discharges in accordance with the procedural requirements of subsection (b) of this section and other State law. For the purposes of this subsection, "concentrated animal feeding operation" means a farm that meets the definition contained in the federal regulations~~ Not later than December 15, 2025, the Secretary shall amend and issue the CAFO General Permit and Notice of Intent. Not later than July 1, 2026, the Secretary shall issue a CAFO application and an individual CAFO permit. The Secretary may request any additional information from a farm as necessary to process a permit and administer the CAFO program. The Secretary may direct a farm to apply for an individual or general permit in accordance with the procedural requirements of subsection (b) of this section.

(h) A large CAFO shall not be required to have a CAFO permit unless one of the following conditions are met:

(1) wastes are discharged into waters via a point source;

(2) wastes are discharged directly into waters that originate outside or pass over, across, or through the facility or otherwise come into direct contact with the animals confined in the operation; or

(3) a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of a LFO has occurred that was

not in accordance with site-specific nutrient management practices that ensure appropriate agricultural utilization of the nutrients in the manure, litter, or process wastewater, as determined by the Secretary.

(i) The Secretary shall require nutrient management plans for all CAFOs and shall include the plans in the permits for public comment in accordance with the process set forth in chapter 170 of this title. The Secretary may amend a permit in accordance with chapter 170 of this title or revoke a permit in accordance with 3 V.S.A. § 814.

(j) Once a CAFO is covered under a CAFO permit, the farm shall be covered for the five year duration of the permit. A farm covered by a CAFO permit shall renew the permit in accordance with its terms, unless the farm wants to opt out and can demonstrate it is not discharging and shall accordingly comply with the federal CWA and the Vermont CAFO rules.

Sec. 12. 10 V.S.A. § 1264(d) is amended to read:

(d) Exemptions.

(1) No permit is required under this section for:

(A) Stormwater runoff from farms in compliance with agricultural practices adopted by the Secretary of Agriculture, Food and Markets~~, provided that this~~ and not subject to the federal Clean Water Act, its enabling regulations, or the VPDES CAFO Rules as determined by the Secretary of Natural Resources. This exemption shall not apply to construction stormwater permits required by subdivision (c)(4) of this section.

(B) Stormwater runoff from concentrated animal feeding operations permitted under subsection 1263(g) of this chapter.

(C) Stormwater runoff from accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices that are in compliance with the federal Clean Water Act as determined by the Secretary of Natural Resources and the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

(D) Stormwater runoff permitted under section 1263 of this title.

(2) No permit is required under subdivision (c)(1), (5), or (7) of this section and for which a municipality has assumed full legal responsibility as part of a permit issued to the municipality by the Secretary. As used in this subdivision, "full legal responsibility" means legal control of the stormwater system, including a legal right to access the stormwater system, a legal duty to properly maintain the stormwater system, and a legal duty to repair and replace

the stormwater system when it no longer adequately protects waters of the State.

* * * Reference to Federal Clean Water Act * * *

Sec. 13. REFERENCE TO FEDERAL CLEAN WATER ACT

(a) Notwithstanding statements to the contrary in 6 V.S.A. chapter 215 or 10 V.S.A. chapter 47, when the following are referenced in 6 V.S.A. chapter 215 or in 10 V.S.A. chapter 47, the text of each shall be applied and interpreted as each public law, statute, or regulation existed on January 1, 2025, regardless of any subsequent amendment, repeal, or other substantive change:

(1) Pub. L. No. 92-500;

(2) the federal Clean Water Act;

(3) federal laws or regulations related to the federal Clean Water Act;

(4) the enabling regulations of the federal Clean Water Act, including citations to the Code of Federal Regulations for regulations adopted under the federal Clean Water Act;

(5) the federal regulations for concentrated animal feeding operations (CAFO) or the federal CAFO regulations; and

(6) the federal national pollutant discharge elimination system (NPDES) regulations or federal NPDES regulations.

(b) Subsection (a) of this section shall be repealed on April 1, 2029.

* * * Effective Date * * *

Sec. 14. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 472.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to professions and occupations regulated by the Office of Professional Regulation.

Was taken up.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto as follows:

First: In Sec. 12, Office of Professional Regulation; position; appropriation, subsection (a), by striking out the word "exempt" and inserting in lieu thereof "classified"

Second: By striking out Secs. 14–18 and their reader assistance heading in their entireties and by renumbering the remaining sections to be numerically correct.

Third: By striking out the newly renumbered Sec. 15, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 15. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 3 (fees; peer support providers) shall take effect on July 1, 2027.

Fourth: By adding a new section to be Sec. 1a to read as follows:

Sec. 1a. SECRETARY OF STATE; REPORT; REVENUES FROM SALES OF DATA

On or before December 1, 2025, the Secretary of State shall submit to the House Committees on Energy and Digital Infrastructure, on Government Operations and Military Affairs, and on Ways and Means and to the Senate Committees on Finance, on Government Operations, and on Institutions a written report detailing the revenues generated from optional services through sales of data, as authorized pursuant to 3 V.S.A. § 118(c), including the categories of data sold.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 12.

Senator Hashim, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

An act relating to sealing criminal history records.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. chapter 230 is amended to read:

CHAPTER 230. EXPUNGEMENT AND SEALING OF CRIMINAL HISTORY RECORDS

§ 7601. DEFINITIONS

As used in this chapter:

(1) "Court" means the Criminal Division of the Superior Court.

(2) "Criminal history record" means all information documenting an individual's contact with the criminal justice system, including data regarding identification, arrest or citation, arraignment, judicial disposition, custody, and supervision.

(3) ~~"Predicate offense" means a criminal offense that can be used to enhance a sentence levied for a later conviction and includes operating a vehicle under the influence of alcohol or other substance in violation of 23 V.S.A. § 1201, domestic assault in violation of section 1042 of this title, and stalking in violation of section 1062 of this title. "Predicate offense" shall not include misdemeanor possession of cannabis, a disorderly conduct offense under section 1026 of this title, or possession of a controlled substance in violation of 18 V.S.A. § 4230(a), 4231(a), 4232(a), 4233(a), 4234(a), 4234a(a), 4234b(a), 4235(b), or 4235a(a)~~ "Criminal justice purposes" means the investigation, apprehension, detention, adjudication, or correction of persons suspected, charged, or convicted of criminal offenses. "Criminal justice purposes" also includes criminal identification activities; the collection, storage, and dissemination of criminal history records; and screening for criminal justice employment.

(4) "Qualifying crime" means:

~~(A) a misdemeanor offense that is not:~~

~~(i) a listed crime as defined in subdivision 5301(7) of this title;~~

~~(ii) an offense involving sexual exploitation of children in violation of chapter 64 of this title;~~

~~(iii) an offense involving violation of a protection order in violation of section 1030 of this title;~~

~~(iv) prostitution as defined in section 2632 of this title, or prohibited conduct under section 2601a of this title; or~~

~~(v) a predicate offense;~~

~~(B) a violation of subsection 3701(a) of this title related to criminal mischief;~~

~~(C) a violation of section 2501 of this title related to grand larceny;~~

~~(D) a violation of section 1201 of this title related to burglary, excluding any burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title;~~

~~(E) a violation of 18 V.S.A. § 4223 related to fraud or deceit;~~

~~(F) a violation of section 1802 of this title related to uttering a forged or counterfeited instrument;~~

~~(G) a violation of 18 V.S.A. § 4230(a) related to possession and cultivation of cannabis;~~

~~(H) a violation of 18 V.S.A. § 4231(a) related to possession of cocaine;~~

~~(I) a violation of 18 V.S.A. § 4232(a) related to possession of LSD;~~

~~(J) a violation of 18 V.S.A. § 4233(a) related to possession of heroin;~~

~~(K) a violation of 18 V.S.A. § 4234(a) related to possession of depressant, stimulant, and narcotic drugs;~~

~~(L) a violation of 18 V.S.A. § 4234a(a) related to possession of methamphetamine;~~

~~(M) a violation of 18 V.S.A. § 4234b(a) related to possession of ephedrine and pseudoephedrine;~~

~~(N) a violation of 18 V.S.A. § 4235(b) related to possession of hallucinogenic drugs;~~

~~(O) a violation of 18 V.S.A. § 4235a(a) related to possession of ecstasy; or~~

~~(P) any offense for which a person has been granted an unconditional pardon from the Governor.~~

(A) all misdemeanor offenses except:

(i) a listed crime as defined in subdivision 5301(7) of this title;

(ii) a violation of chapter 64 of this title relating to sexual exploitation of children;

(iii) a violation of section 1030 of this title relating to a violation of an abuse prevention order, an order against stalking or sexual assault, or a protective order concerning contact with a child;

(iv) a violation of chapter 28 of this title related to abuse, neglect, and exploitation of a vulnerable adult;

(v) a violation of subsection 2605(b) or (c) of this title related to voyeurism;

(vi) a violation of subdivisions 352(1)–(10) of this title related to cruelty to animals;

(vii) a violation of section 5409 of this title related to failure to comply with sex offender registry requirements;

(viii) a violation of section 1455 of this title related to hate motivated crimes;

(ix) a violation of subsection 1304(a) of this title related to cruelty to a child;

(x) a violation of section 1305 of this title related to cruelty by person having custody of another;

(xi) a violation of section 1306 of this title related to mistreatment of persons with impaired cognitive function;

(xii) a violation of section 3151 of this title related to female genital mutilation;

(xiii) a violation of subsection 3258(b) of this title related to sexual exploitation of a minor;

(xiv) a violation of subdivision 4058(b)(1) of this title related to violation of an extreme risk protection order;

(xv) an offense committed in a motor vehicle as defined in 23 V.S.A. § 4 by a person who is the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39; and

(xvi) any offense that would require registration as a sex offender pursuant to chapter 167, subchapter 3 of this title; and

(B) the following felonies:

(i) a violation of section 1201 of this title related to burglary, excluding any burglary into an occupied dwelling, unless the person was 25 years of age or younger at the time of the offense and did not carry a dangerous or deadly weapon during the commission of the offense;

(ii) designated felony property offenses as defined in subdivision (5) of this section;

(iii) offenses relating to possessing, cultivating, selling, dispensing, or transporting regulated drugs, including violations of 18 V.S.A. § 4230(a) and (b), 4231(a) and (b), 4232(a) and (b), 4233(a) and (b), 4233a(a), 4234(a) and (b), 4234a(a) and (b), 4234b(a) and (b), 4235(b) and (c), or 4235a(a) and (b); and

(iv) any offense for which a person has been granted an unconditional pardon from the Governor.

(5) "Designated felony property offense" means:

(A) section 1801 of this title related to forgery and counterfeiting;

(B) section 1802 of this title related to uttering a forged or counterfeited instrument;

(C) section 1804 of this title related to counterfeiting paper money;

(D) section 1816 of this title related to possession or use of credit card skimming devices;

(E) section 2001 of this title related to false personation;

(F) section 2002 of this title related to false pretenses or tokens;

(G) section 2029 of this title related to home improvement fraud;

(H) section 2030 of this title related to identity theft;

(I) section 2501 of this title related to grand larceny;

(J) section 2531 of this title related to embezzlement;

(K) section 2532 of this title related to embezzlement by officers or servants of an incorporated bank;

(L) section 2533 of this title related to embezzlement by a receiver or trustee;

(M) section 2561 of this title related to receiving stolen property;

(N) section 2575 of this title related to retail theft;

(O) section 2582 of this title related to theft of services;

(P) section 2591 of this title related to theft of rented property;

(Q) section 2592 of this title related to failure to return a rented or leased motor vehicle;

(R) section 3016 of this title related to false claims;

(S) section 3701 of this title related to unlawful mischief;

(T) section 3705 of this title related to unlawful trespass;

(U) section 3733 of this title related to mills, dams, or bridges;

(V) section 3761 of this title related to unauthorized removal of human remains;

(W) section 3766 of this title related to grave markers and ornaments;

(X) chapter 87 of this title related to computer crimes; and

(Y) 18 V.S.A. § 4223 related to fraud or deceit in obtaining a regulated drug.

§ 7602. EXPUNGEMENT AND SEALING OF RECORD, POSTCONVICTION; PROCEDURE

~~(a)(1) A person may file a petition with the court requesting expungement or sealing of the criminal history record related to the conviction if:~~

~~(A) the person was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence;~~

~~(B) the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense;~~

~~(C) pursuant to the conditions set forth in subsection (g) of this section, the person was convicted of a violation of 23 V.S.A. § 1201(a) or § 1091 related to operating under the influence of alcohol or other substance, excluding a violation of those sections resulting in serious bodily injury or death to any person other than the operator, or related to operating a school bus with a blood alcohol concentration of 0.02 or more or operating a commercial vehicle with a blood alcohol concentration of 0.04 or more; or~~

~~(D) pursuant to the conditions set forth in subsection (h) of this section, the person was convicted under 1201(c)(3)(A) of a violation of subdivision 1201(a) of this title related to burglary when the person was 25 years of age or younger, and the person did not carry a dangerous or deadly weapon during commission of the offense.~~

~~(2) The State's Attorney or Attorney General shall be the respondent in the matter.~~

~~(3) The court shall grant the petition without hearing if the petitioner and the respondent stipulate to the granting of the petition. The respondent shall file the stipulation with the court, and the court shall issue the petitioner~~

~~an order of expungement and provide notice of the order in accordance with this section.~~

~~(4) This section shall not apply to an individual licensed as a commercial driver pursuant to 23 V.S.A. chapter 39 seeking to seal or expunge a record of a conviction for a felony offense committed in a motor vehicle as defined in 23 V.S.A. § 4.~~

~~(b)(1) The court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:~~

~~(A) At least five years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or if the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least five years previously.~~

~~(B) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted for the qualifying crime.~~

~~(C) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.~~

~~(D) The court finds that expungement of the criminal history record serves the interests of justice.~~

~~(2) The court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), and (C) of this subsection are met and the court finds that:~~

~~(A) sealing the criminal history record better serves the interests of justice than expungement; and~~

~~(B) the person committed the qualifying crime after reaching 19 years of age.~~

~~(c)(1) The court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:~~

~~(A) At least 10 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction.~~

~~(B) The person has not been convicted of a felony arising out of a new incident or occurrence in the last seven years.~~

~~(C) The person has not been convicted of a misdemeanor during the past five years.~~

~~(D) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.~~

~~(E) After considering the particular nature of any subsequent offense, the court finds that expungement of the criminal history record for the qualifying crime serves the interests of justice.~~

~~(2) The court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), (C), and (D) of this subsection are met and the court finds that:~~

~~(A) sealing the criminal history record better serves the interests of justice than expungement; and~~

~~(B) the person committed the qualifying crime after reaching 19 years of age.~~

~~(d) For petitions filed pursuant to subdivision (a)(1)(B) of this section, unless the court finds that expungement would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be expunged in accordance with section 7606 of this title if the following conditions are met:~~

~~(1) The petitioner has completed any sentence or supervision for the offense.~~

~~(2) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.~~

~~(e) For petitions filed pursuant to subdivision (a)(1)(B) of this section for a conviction for possession of a regulated drug under 18 V.S.A. chapter 84, subchapter 1 in an amount that is no longer prohibited by law or for which criminal sanctions have been removed:~~

~~(1) The petitioner shall bear the burden of establishing that his or her conviction was based on possessing an amount of regulated drug that is no longer prohibited by law or for which criminal sanctions have been removed.~~

~~(2) There shall be a rebuttable presumption that the amount of the regulated drug specified in the affidavit of probable cause associated with the petitioner's conviction was the amount possessed by the petitioner.~~

~~(f) Prior to granting an expungement or sealing under this section for petitions filed pursuant to subdivision 7601(4)(D) of this title, the court shall make a finding that the conduct underlying the conviction under section 1201 of this title did not constitute a burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title. The petitioner shall bear the burden of establishing this fact.~~

~~(g) For petitions filed pursuant to subdivision (a)(1)(C) of this section, only petitions to seal may be considered or granted by the court. This subsection shall not apply to an individual licensed as a commercial driver pursuant to 23 V.S.A. chapter 39. Unless the court finds that sealing would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be sealed in accordance with section 7607 of this title if the following conditions are met:~~

~~(1) At least 10 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or if the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least 10 years previously.~~

~~(2) At the time of the filing of the petition:~~

~~(A) the person has only one conviction of a violation of 23 V.S.A. § 1201, which shall be construed in accordance with 23 V.S.A. § 1211; and~~

~~(B) the person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted of a violation of 23 V.S.A. § 1201(a).~~

~~(3) Any restitution ordered by the court has been paid in full.~~

~~(4) The court finds that sealing of the criminal history record serves the interests of justice.~~

~~(h) For petitions filed pursuant to subdivision (a)(1)(D) of this section, unless the court finds that expungement or sealing would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be expunged or sealed in accordance with section 7606 or 7607 of this title if the following conditions are met:~~

~~(1) At least 15 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or the person has successfully completed the terms and conditions~~

~~of an indeterminate term of probation that commenced at least 15 years previously.~~

~~(2) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted of a violation of subdivision 1201(c)(3)(A) of this title.~~

~~(3) Any restitution ordered by the court has been paid in full.~~

~~(4) The court finds that expungement or sealing of the criminal history record serves the interests of justice.~~

(a) Petition.

(1) A person may file a petition with the court requesting expungement of a criminal history record related to a conviction if the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense.

(2) A person may file a petition with the court requesting sealing of a criminal history record related to a conviction if the person was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence.

(3) Whichever office prosecuted the offense resulting in the conviction, the State's Attorney or Attorney General, shall be the respondent in the matter unless the prosecuting office authorizes the other to act as the respondent.

(4) The court shall grant the petition without hearing if the petitioner and the respondent stipulate to the granting of the petition. The respondent shall file the stipulation with the court, and the court shall issue the petitioner an order of sealing and provide notice of the order to all Vermont State entities provided by the petitioner and all entities required to receive notice pursuant to subsection 7607(a) of this title.

(5) This section shall not apply to an individual who is the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39 seeking to seal a record of a conviction for a misdemeanor or felony offense committed in a motor vehicle as defined in 23 V.S.A. § 4.

(b) Offenses that are no longer prohibited by law. For petitions filed pursuant to subdivision (a)(1) of this section, the court shall grant the petition and order that the criminal history record be expunged if the following conditions are met:

(1) The petitioner has completed any sentence or supervision for the offense.

(2) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(c) Qualifying misdemeanors. For petitions filed to seal a qualifying misdemeanor pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least three years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The respondent has failed to show that sealing would be contrary to the interests of justice.

(d) Qualifying felony offenses. For petitions filed to seal a qualifying felony pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least seven years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The respondent has failed to show that sealing would be contrary to the interests of justice.

(e) Qualifying DUI misdemeanor. For petitions filed to seal a qualifying DUI misdemeanor pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least 10 years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The person is not the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39.

(4) The respondent has failed to show that sealing would be contrary to the interests of justice.

(f) Fish and wildlife offenses. Sealing a criminal history record related to a fish and wildlife offense shall not void any fish and wildlife license suspension or revocation imposed pursuant to the accumulation of points related to the sealed offense. Points accumulated by a person shall remain on the person's license and, if applicable, completion of the remedial course shall be required as set forth in 10 V.S.A. § 4502.

§ 7603. ~~EXPUNGEMENT AND~~ SEALING OF RECORD, NO CONVICTION; PROCEDURE

(a) Unless either party objects in the interests of justice, the court shall issue an order sealing the criminal history record related to the citation or arrest of a person:

(1) within 60 days after the final disposition of the case if:

(A) the court does not make a determination of probable cause at the time of arraignment; ~~or~~

(B) the charge is dismissed before trial with or without prejudice; or

(C) the defendant is acquitted of the charges; or

(2) at any time if the prosecuting attorney and the defendant stipulate that the court may grant the petition to seal the record.

(b) If a party objects to sealing ~~or expunging~~ a record pursuant to this section, the court shall schedule a hearing to determine if sealing ~~or expunging~~ the record serves the interests of justice. The defendant and the prosecuting attorney shall be the only parties in the matter.

(c), (d) [Repealed.]

(e) ~~Unless either party objects in the interests of justice, the court shall issue an order expunging a criminal history record related to the citation or arrest of a person:~~

~~(1) within 60 days after the final disposition of the case if:~~

~~(A) the defendant is acquitted of the charges; or~~

~~(B) the charge is dismissed with prejudice;~~

~~(2) at any time if the prosecuting attorney and the defendant stipulate that the court may grant the petition to expunge the record.~~ [Repealed.]

(f) ~~Unless either party objects in the interests of justice, the court shall issue an order to expunge a record sealed pursuant to subsection (a) or (g) of this section eight years after the date on which the record was sealed.~~ [Repealed.]

(g) A person may file a petition with the court requesting sealing ~~or expungement~~ of a criminal history record related to the citation or arrest of the person at any time. The court shall grant the petition and issue an order sealing ~~or expunging~~ the record if it finds that sealing ~~or expunging~~ the record serves the interests of justice~~,~~ or if the parties stipulate to sealing ~~or expungement~~ of the record.

(h) ~~The court may expunge any records that were sealed pursuant to this section prior to July 1, 2018 unless the State's Attorney's office that prosecuted the case objects. Thirty days prior to expunging a record pursuant to this subsection, the court shall provide to the State's Attorney's office that prosecuted the case written notice of its intent to expunge the record.~~ [Repealed.]

§ 7604. NEW CHARGE

If a person ~~is charged with a criminal offense after he or she has filed a petition for expungement pursuant to this chapter~~ has a criminal charge pending at the time the petition for sealing or expungement is before the court, the court shall not act on the petition until disposition of the new charge.

§ 7605. DENIAL OF PETITION

If a petition for expungement or sealing is denied by the court pursuant to this chapter, no further petition shall be brought for at least two years, unless a shorter duration is authorized by the court.

§ 7606. EFFECT OF EXPUNGEMENT

(a) Order and notice. Upon finding that the requirements for expungement have been met, the court shall issue an order that shall include provisions that its effect is to annul the record of the arrest, conviction, and sentence and that such person shall be treated in all respects as if the person had never been arrested, convicted, or sentenced for the offense. The court shall provide notice of the expungement to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victim Services, and any other entity that may have a record related to the order to expunge. The VCIC shall provide notice of the expungement to the Federal Bureau of Investigation's National Crime Information Center.

(b) Effect.

(1) Upon entry of an expungement order, the order shall be legally effective immediately and the person whose record is expunged shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense.

(2) In any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, a person may be required to answer questions about a previous criminal history record only with respect to arrests or convictions that have not been expunged. A State entity that inquires about a person's criminal history record shall advise the person of the person's right not to disclose expunged records pursuant to this subdivision.

(3) The response to an inquiry from any person regarding an expunged record shall be that "NO CRIMINAL RECORD EXISTS."

(4) Nothing in this section shall affect any right of the person whose record has been expunged to rely on it as a bar to any subsequent proceedings for the same offense.

(c) Process.

(1) The court shall remove the expunged offense from any accessible database that it maintains.

(2) Until all charges on a docket are expunged, the case file shall remain publicly accessible.

(3) When all charges on a docket have been expunged, the case file shall be destroyed pursuant to policies established by the Court Administrator.

(d) Special index.

(1) The court shall keep a special index of cases that have been expunged together with the expungement order. The index shall list only the name of the person convicted of the offense, ~~his or her~~ the person's date of birth, the docket number, and the criminal offense that was the subject of the expungement.

(2) The special index and related documents specified in subdivision (1) of this subsection shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons.

(3) Inspection of the expungement order may be permitted only upon petition by the person who is the subject of the case. The Chief Superior Judge may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records.

(4) ~~[Repealed].~~ [Repealed.]

(5) The Court Administrator shall establish policies for implementing this subsection.

§ 7607. EFFECT OF SEALING

(a) Order and notice. Upon entry of an order to seal, the ~~order shall be legally effective immediately and the person whose record is sealed shall be treated in all respects as if the person had never been arrested, convicted, or sentenced for the offense and that its effect is to annul the record of arrest, conviction, and sentence. The~~ court shall ~~provide notice of the sealing to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victim Services, and any other entity that may have a record related to the order to seal. The VCIC shall provide notice of the sealing to the Federal Bureau of Investigation's National Crime Information Center~~ send a copy of any order sealing a criminal history record to all of the parties and attorneys representing the parties, including to the prosecuting agency that prosecuted the offense, the Vermont Crime Information Center (VCIC), the arresting agency, and any other Vermont State entity identified by the petitioner that may have a record subject to the sealing order. VCIC shall provide notice of the sealing order to the Federal Bureau of Investigation's National Crime Information Center.

(b) Effect.

(1) Except as provided in ~~subdivision~~ subsection (c) of this section, upon entry of a sealing order, the order shall be legally effective immediately and the person whose record is sealed shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense.

(2) In any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, a person may be required to answer questions about a previous criminal history record only with respect to arrests or convictions that have not been sealed. A State entity that inquires about a person's criminal history record shall advise the person of the person's right not to disclose sealed records pursuant to this subdivision.

(3) The response to an inquiry from any member of the public regarding a sealed record shall be that "NO CRIMINAL RECORD EXISTS."

(4) Nothing in this section shall affect any right of the person whose record has been sealed to rely on it as a bar to any subsequent proceeding for the same offense.

(c) Exceptions. A party seeking to use a sealed criminal history record, pursuant to the exceptions established in this subsection, in a court proceeding

shall, prior to any use of or reference to the record in open court or in a public filing, notify the court of the party's intent to do so. The court shall thereafter determine whether the record may be used prior to its disclosure in the proceeding. If a party submits a filing that contains a sealed record or a reference to a sealed record, that filing shall be filed under seal and remain under seal unless the court permits the use of the sealed record. This shall not apply to the use of a sealed record pursuant to subdivision (8) of this subsection. Use of a sealed record pursuant to an exception shall not change the effect of sealing under subsection (b) of this section. Notwithstanding any other provision of law or a sealing order:

(1) An entity or person that possesses a sealed record, or an attorney for such entity or person, may continue to use ~~it~~ the record for any litigation or claim arising out of the same incident or occurrence ~~or involving the same defendant~~, including use of the record in reasonable anticipation of litigation. The entity or person shall, before disclosing the record to another person, provide the following notice to the recipient of the record: "SEALED - KNOWINGLY ACCESSING OR DISCLOSING THIS RECORD WITHOUT AUTHORIZATION IS A CIVIL VIOLATION SUBJECT TO A PENALTY OF NOT MORE THAN $1,000.00."

(2)(A) ~~A~~ Except as provided in subdivision (B) of this subdivision (2), a criminal justice agency as defined in 20 V.S.A. § 2056a and the Attorney General may use the criminal history record sealed in accordance with section 7602 or 7603 of this title ~~without limitation~~ for criminal justice purposes as defined in ~~20 V.S.A. § 2056a~~ section 7601 of this title.

(B)(i) A criminal justice agency or the Attorney General may disclose a sealed criminal history record to another person only pursuant to a court order issued after the agency or the Attorney General files a petition and a supporting affidavit. The court shall permit disclosure of the record if it finds that disclosure is for criminal justice purposes as defined in section 7601 of this title. The court may grant the petition ex parte or upon hearing at the court's discretion. The agency or the Attorney General shall provide the following notice to the recipient of the record: "SEALED - KNOWINGLY ACCESSING OR DISCLOSING THIS RECORD WITHOUT AUTHORIZATION IS A CIVIL VIOLATION SUBJECT TO A PENALTY OF NOT MORE THAN $1,000.00."

(ii) This subdivision (B) shall not require a criminal justice agency or the Attorney General to petition or obtain a court order for disclosure of records:

(I) to another criminal justice agency; or

(II) to meet discovery obligations pursuant to subdivision (7) of this subsection (c).

(3) A defendant may use the sealed criminal history record of another person in the defendant's criminal proceeding. The defendant shall, before disclosing the record to another person, provide the following notice to the recipient of the record: "SEALED - KNOWINGLY ACCESSING OR DISCLOSING THIS RECORD WITHOUT AUTHORIZATION IS A CIVIL VIOLATION SUBJECT TO A PENALTY OF NOT MORE THAN $1,000.00."

(4) A sealed record of a prior violation of 23 V.S.A. § 1201(a) shall be admissible as a predicate offense for the purpose of imposing an enhanced penalty for a subsequent violation of that section, in accordance with the provisions of 23 V.S.A. § 1210.

(5) A person or a court in possession of an order issued by a court regarding a matter that was subsequently sealed may file or cite to that decision in any subsequent proceeding. The party or court filing or citing to that decision shall ensure that information regarding the identity of the defendant in the sealed record is redacted.

(6) The Vermont Crime Information Center and Criminal Justice Information Services Division of the Federal Bureau of Investigation shall have access to sealed criminal history records without limitation for the purpose of responding to queries to the National Instant Criminal Background Check System regarding firearms transfers and attempted transfers.

(7) The State's Attorney, the Attorney General, the person who is the subject of a sealed record, and the attorney for the person who is the subject of the record shall disclose information contained in a sealed criminal history record when required to meet discovery obligations.

(8) The person whose criminal history records have been sealed pursuant to this chapter and the person's attorney may access and use the sealed records.

(9) A law enforcement agency may inspect and receive copies of the sealed criminal history records of any applicant who applies to the agency to be a law enforcement officer or a current employee for the purpose of internal investigation.

(10) Persons or entities conducting research shall have access to a sealed criminal history record to carry out research pursuant to 20 V.S.A. § 2056b.

(11) Information and materials gathered by the Department for Children and Families during a joint investigation with law enforcement, including law

enforcement affidavits and related references to such information and materials, are not criminal history records as defined in subdivision 7601(2) of this title and are considered Department records that shall be maintained and may be utilized as statutorily prescribed by 33 V.S.A. chapter 49 and produced in response to a court order.

(12) Information and materials gathered by Adult Protective Services during a joint investigation with law enforcement, including law enforcement affidavits and other investigative materials, are not criminal history records as defined in subdivision 7601(2) of this title and are considered records of the Department of Disabilities, Aging, and Independent Living, which shall be maintained and may be utilized as authorized by 33 V.S.A. chapter 69 and produced in response to a court order.

(d) Process.

(1) The court shall bar viewing of the sealed offense in any accessible database that it maintains.

(2) Until all charges on a docket have been sealed, the case file shall remain publicly accessible.

(3) When all charges on a docket have been sealed, the case file shall become exempt from public access.

(4) When a sealing order is issued by the court, any person or entity, except the court, that possesses criminal history records and has been provided notice of the order shall:

(A) bar viewing of the sealed offense in any accessible database that it maintains or remove information pertaining to the sealed records from any publicly accessible database that the person or entity maintains; and

(B) clearly label the criminal history record as "SEALED" to ensure compliance with this section.

(e) Special index.

(1) The court shall keep a special index of cases that have been sealed together with the sealing order. The index shall list only the name of the person convicted of the offense, ~~his or her~~ the person's date of birth, the docket number, and the criminal offense that was the subject of the sealing.

(2) The special index and related documents specified in subdivision (1) of this subsection shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons.

(3) Except as provided in subsection (c) of this section, inspection of the sealing order may be permitted only upon petition by the person who is the subject of the case. The Chief Superior Judge may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records.

~~(4) The Court Administrator shall establish policies for implementing this subsection.~~

(f) Victims Compensation Program. Upon request, the ~~Victim's~~ Victims Compensation Program shall be provided with a copy, redacted of all information identifying the offender, of the affidavit for the sole purpose of verifying the expenses in a victim's compensation application submitted pursuant to section 5353 of this title.

(g) Restitution. The sealing of a criminal record shall not affect the authority of the Restitution Unit to enforce a restitution order in the same manner as a civil judgment pursuant to subdivision 5362(c)(2) of this title.

§ 7608. VICTIMS

(a) At the time a petition is filed pursuant to this chapter, the respondent shall give notice of the petition to any victim of the offense who is known to the respondent. The victim shall have the right to offer the respondent a statement prior to any stipulation or to offer the court a statement. The disposition of the petition shall not be unnecessarily delayed pending receipt of a victim's statement. The respondent's inability to locate a victim after a reasonable effort has been made shall not be a bar to granting a petition.

(b) As used in this section, "reasonable effort" means attempting to contact the victim by first-class mail at the victim's last known address ~~and~~, by telephone at the victim's last known phone number, and by email at the victim's last known email address.

§ 7609. ~~EXPUNGEMENT OF~~ SEALING CRIMINAL HISTORY RECORDS OF ~~AN INDIVIDUAL~~ A PERSON 18–21 YEARS OF AGE

(a) ~~Procedure~~ Petition. ~~Except as provided in subsection (b) of this section, the record of the criminal proceedings for an individual who was 18–21 years of age at the time the individual committed a qualifying crime shall be expunged within 30 days after the date on which the individual successfully completed the terms and conditions of the sentence for the conviction of the qualifying crime, absent a finding of good cause by the court. The court shall issue an order to expunge all records and files related to the arrest, citation, investigation, charge, adjudication of guilt, criminal proceedings, and probation related to the sentence. A copy of the order shall be sent to each agency, department, or official named in the order. Thereafter, the court, law~~

~~enforcement officers, agencies, and departments shall reply to any request for information that no record exists with respect to such individual. Notwithstanding this subsection, the record shall not be expunged until restitution and surcharges have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.~~

(1) Notwithstanding any other provision of law, a person who was 18–21 years of age at the time the person committed a qualifying crime may file a petition with the court requesting sealing of the criminal history record related to the qualifying crime after 30 days have elapsed since the person completed the terms and conditions for the sentence for the qualifying crime. The court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(A) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(B) The respondent has failed to show that sealing would be contrary to the interests of justice.

(2) Order, notice, and effect of sealing shall comply with the provisions of subsections 7607(a) and (b) of this title.

(b) Exceptions.

(1) A criminal history record that includes both qualifying and nonqualifying offenses shall not be eligible for ~~expungement~~ sealing pursuant to this section.

(2) ~~The Vermont Crime Information Center shall retain a special index of sentences for sex offenses that require registration pursuant to chapter 167, subchapter 3 of this title. This index shall only list the name and date of birth of the subject of the expunged files and records, the offense for which the subject was convicted, and the docket number of the proceeding that was the subject of the expungement. The special index shall be confidential and shall be accessed only by the Director of the Vermont Crime Information Center and an individual designated for the purpose of providing information to the Department of Corrections in the preparation of a presentence investigation in accordance with 28 V.S.A. §§ 204 and 204a.~~ [Repealed.]

(c) ~~Petitions. An individual who was 18–21 years of age at the time the individual committed a qualifying crime may file a petition with the court requesting expungement of the criminal history record related to the qualifying crime after 30 days have elapsed since the individual completed the terms and~~

~~conditions for the sentence for the qualifying crime. The court shall grant the petition and issue an order sealing or expunging the record if it finds that sealing or expunging the record serves the interests of justice.~~ [Repealed.]

§ 7610. CRIMINAL HISTORY RECORD SEALING SPECIAL FUND

There is established the Criminal History Record Sealing Special Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Fees collected pursuant to 32 V.S.A. § 1431(e) for the filing of a petition to seal a criminal history record of a violation of 23 V.S.A. § 1201(a) shall be deposited into and credited to this Fund. This Fund shall be available to the

Office of the Court Administrator, the Department of State's Attorneys and Sheriffs, the Department of Motor Vehicles, and the Vermont Crime Information Center to offset the administrative costs of sealing such records. Balances in the Fund at the end of the fiscal year shall be carried forward and remain in the Fund.

§ 7611. UNAUTHORIZED DISCLOSURE

A ~~State or municipal employee or contractor or any agent of the court, including an attorney and an employee or contractor of the attorney,~~ person who knowingly accesses or discloses sealed criminal history record information without authorization shall be assessed a civil penalty of not more than $1,000.00. Each unauthorized disclosure shall constitute a separate civil violation.

Sec. 2. RIGHT TO NOT DISCLOSE EXPUNGED OR SEALED CRIMINAL HISTORY RECORDS

(a) The Secretary of Administration shall notify all State administrative entities of the obligation to notify persons of the right not to disclose an expunged record pursuant to 13 V.S.A. § 7606(b)(2) or a sealed record pursuant to 13 V.S.A. § 7607(b)(2).

(b) The Court Administrator shall notify the Judicial Branch of the obligation to notify persons of the right not to disclose an expunged record pursuant to 13 V.S.A. § 7606(b)(2) or a sealed record pursuant to 13 V.S.A. § 7607(b)(2).

Sec. 3. 24 V.S.A. § 2296b is added to read:

§ 2296b. EXPUNGEMENT OF MUNICIPAL VIOLATION RECORDS

(a) Expungement. Two years following the satisfaction of a judgment resulting from an adjudication of a municipal violation, the Judicial Bureau shall make an entry of "expunged" and notify the municipality of such action, provided the person has not been adjudicated for any subsequent municipal

violations during that time. The data transfer to the municipality shall include the name, date of birth, ticket number, and offense. Violations of offenses adopted pursuant to chapter 117 of this title shall not be eligible for expungement under this section.

(b) Effect of expungement.

(1) Upon entry of an expungement order, the order shall be legally effective immediately and the individual whose record is expunged shall be treated in all respects as if the individual had never been adjudicated of the violation.

(2) Upon an entry of expunged, the case will be accessible only by the Clerk of the Court for the Judicial Bureau or the Clerk's designee. Adjudications that have been expunged shall not appear in the results of any Judicial Bureau database search by name, date of birth, or any other data identifying the defendant. Except as provided in subsection (c) of this section, any documents or other records related to an expunged adjudication that are maintained outside the Judicial Bureau's case management system shall be destroyed.

(3) Upon receiving an inquiry from any person regarding an expunged record, the Judicial Bureau and the municipality shall respond that "NO RECORD EXISTS."

(c) Exception for research entities. Research entities that maintain adjudication records for purposes of collecting, analyzing, and disseminating criminal justice data shall not be subject to the expungement requirements established in this section. Research entities shall abide by the policies established by the Court Administrator and shall not disclose any identifying information from the records they maintain.

(d) Policies for implementation. The Court Administrator shall establish policies for implementing this section.

(e) Application. This section shall apply to municipal violations that occur on and after July 1, 2025.

Sec. 4. 23 V.S.A. § 2303 is amended to read:

§ 2303. EXPUNGEMENT OF VIOLATION RECORDS

* * *

(e) Application. This section shall apply to motor vehicle violations that occur on and after July 1, 2021.

Sec. 5. 20 V.S.A. § 2372 is added to read:

§ 2372. STATEWIDE MODEL POLICY; USE OF SEALED CRIMINAL HISTORY RECORDS BY LAW ENFORCEMENT AGENCIES

(a) As used in this section:

(1) "Criminal history records" has the same meaning as in section 2056a of this title.

(2) "Criminal justice purposes" has the same meaning as in section 2056a of this title.

(3) "Law enforcement agency" has the same meaning as in section 2351a of this title.

(b) On or before December 15, 2025, the Vermont Criminal Justice Council shall establish a statewide model policy governing the access and use of sealed criminal history records by Vermont law enforcement agencies. The purpose of the policy is to ensure consistent statewide application of law and practice regarding the access and use of sealed criminal history information for criminal justice purposes under 13 V.S.A. chapter 230, balancing the confidentiality of this information with legitimate criminal justice purposes. If a law enforcement agency or officer was required to adopt a policy pursuant to this subsection but failed to do so on or before March 15, 2026, that agency or officer shall be deemed to have adopted, and shall follow and enforce, the model policy established by the Criminal Justice Council. The policy shall govern the access and use of sealed criminal history records by all law enforcement officers in the State and shall include the following provisions consistent with 13 V.S.A. chapter 230:

(1) define the types of sealed criminal history records that may be accessed and used, including sealed criminal history records contained in records of arrests and prosecutions, and sealed criminal history records contained in computer-aided dispatch and record management systems;

(2) define a record-keeping system through which the law enforcement agency maintains records of each instance in which an officer has accessed or used a sealed criminal history record; and

(3) comply with applicable State and federal law.

(c) The Criminal Justice Council shall:

(1) adopt rules to ensure that the policies and standards of this section are met; and

(2) develop, publish, and periodically review the statewide model policy established pursuant to subsection (b) of this section.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

REP. MARTIN J. LALONDE
REP. THOMAS B. BURDITT
REP. KAREN N. DOLAN
Committee on the part of the House

SEN. NADER A. HASHIM
SEN. ROBERT W. NORRIS
SEN.CHRISTOPHER P. MATTOS
Committee on the part of the Senate

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 126.

Senator Lyons, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

An act relating to health care payment and delivery system reform.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Purpose of the Act; Goals * * *

Sec. 1. PURPOSE; GOALS

The purpose of this act is to achieve transformation of and structural changes to Vermont's health care system. In enacting this legislation, the General Assembly intends to advance the following goals:

(1) improvements in health outcomes, population health, quality of care, regional access to services, and reducing disparities in access resulting from demographic factors or health status;

(2) an integrated system of care, with robust care coordination and increased investments in primary care, home health care, and long-term care;

(3) stabilizing health care providers, controlling the costs of commercial health insurance, and managing hospital costs based on the total cost of care, beginning with reference-based pricing and continuing on to global hospital budgets;

(4) evaluating progress in achieving system transformation and structural changes by creating and applying standardized accountability metrics; and

(5) establishing a health care system that will attract and retain high-quality health care professionals to practice in Vermont and that supports, develops, and preserves the dignity of Vermont's health care workforce.

* * * Hospital Budgets and Payment Reform * * *

Sec. 2. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

(a) The Board shall execute its duties consistent with the principles expressed in section 9371 of this title.

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs; promote seamless care, administration, and service delivery; and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, reference-based pricing, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

* * *

(5) Set rates for health care professionals pursuant to section 9376 of this title, to be implemented over time beginning with reference-based pricing as soon as practicable, but not later than hospital fiscal year 2027, and make adjustments to the rules on reimbursement methodologies as needed.

(6) Approve, modify, or disapprove requests for health insurance rates pursuant to 8 V.S.A. § 4062, taking into consideration the requirements in the

underlying statutes~~,~~; changes in health care delivery~~,~~; changes in payment methods and amounts, including implementation of reference-based pricing; protecting insurer solvency~~,~~; and other issues at the discretion of the Board.

(7) Review and establish hospital budgets pursuant to chapter 221, subchapter 7 of this title, including establishing standards for global hospital budgets that reflect the implementation of reference-based pricing and the total cost of care targets determined in collaboration with federal partners and other stakeholders or as set by the Statewide Health Care Delivery Plan developed pursuant to section 9403 of this title, once established. Beginning not later than hospital fiscal year 2028, to the extent that resources are available, the Board shall establish global hospital budgets for one or more Vermont hospitals that are not critical access hospitals. By hospital fiscal year 2030, to the extent that resources are available, the Board shall establish global hospital budgets for all Vermont hospitals.

* * *

Sec. 3. 18 V.S.A. § 9376 is amended to read:

§ 9376. PAYMENT AMOUNTS; METHODS

(a) Intent. It is the intent of the General Assembly to ensure payments to health care professionals that are consistent with efficiency, economy, and quality of care and will permit them to provide, on a solvent basis, effective and efficient health services that are in the public interest. It is also the intent of the General Assembly to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.

(b) Rate-setting.

(1) The Board shall set reasonable rates for health care professionals, health care provider bargaining groups created pursuant to section 9409 of this title, manufacturers of prescribed products, medical supply companies, and other companies providing health services or health supplies based on methodologies pursuant to section 9375 of this title, in order to have a consistent reimbursement amount accepted by these persons. In its discretion, the Board may implement rate-setting for different groups of health care professionals over time and need not set rates for all types of health care professionals. In establishing rates, the Board may consider legitimate differences in costs among health care professionals, such as the cost of providing a specific necessary service or services that may not be available elsewhere in the State, and the need for health care professionals in particular

areas of the State, particularly in underserved geographic or practice shortage areas.

(2) Nothing in this subsection shall be construed to:

(A) limit the ability of a health care professional to accept less than the rate established in subdivision (1) of this subsection (b) from a patient without health insurance or other coverage for the service or services received; or

(B) reduce or limit the covered services offered by Medicare or Medicaid.

(c) Methodologies. The Board shall approve payment methodologies that encourage cost-containment; provision of high-quality, evidence-based health services in an integrated setting; patient self-management; access to primary care health services ~~for underserved individuals, populations, and areas~~; and healthy lifestyles. Such methodologies shall be consistent with payment reform and with evidence-based practices, and may include fee-for-service payments if the Board determines such payments to be appropriate.

(d) Supervision. To the extent required to avoid federal antitrust violations and in furtherance of the policy identified in subsection (a) of this section, the Board shall facilitate and supervise the participation of health care professionals and health care provider bargaining groups in the process described in subsection (b) of this section.

(e) Reference-based pricing.

(1)(A) The Board shall establish reference-based prices that represent the maximum amounts that hospitals shall accept as payment in full for items provided and services delivered in Vermont. The Board may also implement reference-based pricing for services delivered outside a hospital by setting the minimum amounts that shall be paid for items provided and services delivered by nonhospital-based health care professionals. The Board shall consult with health insurers, hospitals, other health care professionals as applicable, the Office of the Health Care Advocate, and the Agency of Human Services in developing reference-based prices pursuant to this subsection (e), including on ways to achieve all-payer alignment on the design and implementation of reference-based pricing.

(B) The Board shall implement reference-based pricing in a manner that does not allow health care professionals to charge or collect from patients or health insurers any amount in excess of the reference-based amount established by the Board.

(2)(A) Reference-based prices established pursuant to this subsection (e) shall be based on a percentage of the Medicare reimbursement for the same or a similar item or service or on another benchmark, as appropriate, provided that if the Board establishes prices that are referenced to Medicare, the Board may opt to update the prices in the future based on a reasonable rate of growth that is separate from Medicare rates, such as the Medicare Economic Index measure of inflation, in order to provide predictability and consistency for health care professionals and payers and to protect against federal funding pressures that may impact Medicare rates in an unpredictable manner. The Board may also reference to, and update based on, other payment or pricing systems where appropriate.

(B) In establishing reference-based prices for a hospital pursuant to this subsection (e), the Board shall consider the composition of the communities served by the hospital, including the health of the population, demographic characteristics, acuity, payer mix, labor costs, social risk factors, and other factors that may affect the costs of providing care in the hospital service area, as well as the hospital's role in Vermont's health care system.

(3)(A) The Board shall begin implementing reference-based pricing as soon as practicable but not later than hospital fiscal year 2027 by establishing the maximum amounts that Vermont hospitals shall accept as payment in full for items provided and services delivered. After initial implementation, the Board shall review the reference-based prices for each hospital annually as part of the hospital budget review process set forth in chapter 221, subchapter 7 of this title.

(B) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of reference-based pricing to ensure that any decreases in amounts paid to hospitals also result in decreases in health insurance premiums. The Board shall post its findings regarding the alignment between price decreases and premium decreases annually on its website.

(4) The Board shall identify factors that would necessitate terminating or modifying the use of reference-based pricing in one or more hospitals, such as a measurable reduction in access to or quality of care.

(5) The Green Mountain Care Board, in consultation with the Agency of Human Services and the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title, may implement reference-based pricing for services delivered outside a hospital, such as primary care services, and may increase or decrease the percentage of Medicare or another benchmark as appropriate, first to enhance access to primary care and later for alignment with the Statewide Health Care Delivery

Strategic Plan established pursuant to section 9403 of this title, once established. The Board may consider establishing reference-based pricing for services delivered outside a hospital by setting minimum amounts that shall be paid for the purpose of prioritizing access to high-quality health care services in settings that are appropriate to patients' needs in order to contain costs and improve patient outcomes.

(6) The Board's authority to establish reference-based prices pursuant to this subsection shall not include the authority to set amounts applicable to items provided or services delivered to patients who are enrolled in Medicare or Medicaid.

Sec. 3a. 18 V.S.A. § 9451 is amended to read:

§ 9451. DEFINITIONS

As used in this subchapter:

(1) "Hospital" means a hospital licensed under chapter 43 of this title, except a hospital that is conducted, maintained, or operated by the State of Vermont.

(2) "Hospital network" means a system comprising two or more affiliated hospitals, and may include other health care professionals and facilities, that derives 50 percent or more of its operating revenue, at the consolidated network level, from Vermont hospitals and in which the affiliated hospitals deliver health care services in a coordinated manner using an integrated financial and governance structure.

(3) "Volume" means the number of inpatient days of care or admissions and the number of all inpatient and outpatient ancillary services rendered to patients by a hospital.

Sec. 4. 18 V.S.A. § 9454 is amended to read:

§ 9454. HOSPITALS; DUTIES

* * *

(b) Hospitals shall submit information as directed by the Board in order to maximize hospital budget data standardization and allow the Board to make direct comparisons of hospital expenses across the health care system.

(c) Hospitals shall adopt a fiscal year that shall begin on October 1.

Sec. 5. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

(1) review utilization information;

(2) consider the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title, once established, including the total cost of care targets, and consult with the Agency of Human Services to ensure compliance with federal requirements regarding Medicare and Medicaid;

(3) consider the Health Resource Allocation Plan identifying Vermont's critical health needs, goods, services, and resources developed pursuant to section 9405 of this title;

~~(3)~~(4) consider the expenditure analysis for the previous year and the proposed expenditure analysis for the year under review;

~~(4)~~(5) consider any reports from professional review organizations;

(6) for a hospital that operates within a hospital network, review the hospital network's financial operations as they relate to the budget of the individual hospital;

~~(5)~~(7) solicit public comment on all aspects of hospital costs and use and on the budgets proposed by individual hospitals;

~~(6)~~(8) meet with hospitals to review and discuss hospital budgets for the forthcoming fiscal year;

~~(7)~~(9) give public notice of the meetings with hospitals~~,~~ and invite the public to attend and to comment on the proposed budgets;

~~(8)~~(10) consider the extent to which costs incurred by the hospital in connection with services provided to Medicaid beneficiaries are being charged to non-Medicaid health benefit plans and other non-Medicaid payers;

~~(9)~~(11) require each hospital to file an analysis that reflects a reduction in net revenue needs from non-Medicaid payers equal to any anticipated increase in Medicaid, Medicare, or another public health care program reimbursements, and to any reduction in bad debt or charity care due to an increase in the number of insured individuals;

~~(10)~~(12) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs;

~~(11)~~(13) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

~~(12)~~(14) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; ~~and~~

~~(13)~~(15) consider the salaries for the hospital's executive and clinical leadership, including variable payments and incentive plans, and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states and a comparison of the base salaries and total compensation for the hospital's executive and clinical leadership with those of the hospital's lowest-paid employees who deliver health care services directly to hospital patients; and

(16) consider the number of employees of the hospital whose duties are primarily administrative in nature, as defined by the Board, compared with the number of employees whose duties primarily involve delivering health care services directly to hospital patients.

(c) Individual hospital budgets established under this section shall:

(1) be consistent, to the extent practicable, with the Statewide Health Care Delivery Strategic Plan, once established, including the total cost of care targets, and with the Health Resource Allocation Plan;

(2) reflect the reference-based prices established by the Board pursuant to section 9376 of this title;

(3) take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board;

~~(3)~~(4) promote efficient and economic operation of the hospital and, if a hospital is affiliated with a hospital network, ensure that hospital spending on the hospital network's operations is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established;

~~(4)~~(5) reflect budget performances for prior years;

~~(5)~~(6) include a finding that the analysis provided in subdivision ~~(b)(9)~~ (b)(11) of this section is a reasonable methodology for reflecting a reduction in net revenues for non-Medicaid payers; ~~and~~

~~(6)~~(7) demonstrate that they support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care; and

(8) include meaningful variable payments and incentive plans for hospitals that are consistent with this section and with the principles for health care reform expressed in section 9371 of this title.

(d)(1)(A) Annually, the Board shall establish a budget for each hospital on or before September 15, followed by a written decision by October 1. Each hospital shall operate within the budget established under this section.

(B)(i) Beginning not later than hospital fiscal year 2028, to the extent that resources are available, the Board shall establish global hospital budgets for one or more Vermont hospitals that are not critical access hospitals. Not later than hospital fiscal year 2030, to the extent that resources are available, the Board shall establish global hospital budgets for all Vermont hospitals.

(ii) Global hospital budgets established pursuant to this section shall include Medicare to the extent permitted under federal law but shall not include Medicaid.

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.

(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).

(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.

(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).

(3) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of any authorized decrease in hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

(4) The Board may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks.

(5) The Board may waive one or more of the review processes listed in subsection (b) of this section.

* * *

Sec. 6. 18 V.S.A. § 9458 is added to read:

§ 9458. HOSPITAL NETWORKS; STRUCTURE; FINANCIAL OPERATIONS

(a) The Board may review and evaluate the structure of a hospital network to determine:

(1) whether any network operations should be organized and operated out of a hospital instead of at the network; and

(2) whether the existence and operation of a network provides value to Vermonters, is in the public interest, and is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established.

(b) In order to protect the public interest, the Board may, on its own initiative, investigate the financial operations of a hospital network, including compensation of the network's employees and executive leadership.

(c) The Board may recommend any action it deems necessary to correct any aspect of the structure of a hospital network or its financial operations that are inconsistent with the principles for health care reform expressed in section 9371 of this title or with the Statewide Health Care Delivery Strategic Plan, once established.

* * * Health Care Contracts * * *

Sec. 7. 18 V.S.A. § 9418c is amended to read:

§ 9418c. FAIR CONTRACT STANDARDS

* * *

(e)(1) The requirements of subdivision (b)(5) of this section do not prohibit a contracting entity from requiring a reasonable confidentiality agreement between the provider and the contracting entity regarding the terms of the proposed health care contract.

(2) Upon request, a contracting entity or provider shall provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation or the Green Mountain Care Board, or both.

* * * Statewide Health Care Delivery Strategic Plan; Health Care Delivery Advisory Committee; Vermont Steering Committee for Comprehensive Primary Health Care * * *

Sec. 8. 18 V.S.A. § 9403 is added to read:

§ 9403. STATEWIDE HEALTH CARE DELIVERY STRATEGIC PLAN

(a) The Agency of Human Services, in collaboration with the Green Mountain Care Board, the Department of Financial Regulation, the Vermont Program for Quality in Health Care, the Office of the Health Care Advocate, the Health Care Delivery Advisory Committee established in section 9403a of this title, the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title, and other interested stakeholders, shall lead development of an integrated Statewide Health Care Delivery Strategic Plan as set forth in this section.

(b) The Plan shall:

(1) Align with the principles for health care reform expressed in section 9371 of this title.

(2) Identify existing services and promote universal access across Vermont to high-quality, cost-effective acute care; primary care, including primary mental health services; chronic care; long-term care; substance use disorder treatment services; emergency medical services; nonemergency medical services; nonmedical services and supports; and hospital-based, independent, and community-based services.

(3) Define a shared vision and shared goals and objectives for improving access to and the quality, efficiency, and affordability of health care

services in Vermont and for reducing disparities in access resulting from demographic factors or health status, including benchmarks for evaluating progress.

(4) Identify the resources, infrastructure, and support needed to achieve established targets, which will ensure the feasibility and sustainability of implementation.

(5) Provide a phased implementation timeline with milestones and regular reporting to ensure adaptability as needs evolve.

(6) Promote accountability and continuous quality improvement across Vermont's health care system through the use of data, scientifically grounded methods, and high-quality performance metrics to evaluate effectiveness and inform decision making.

(7) Provide annual targets for the total cost of care across Vermont's health care system. Using these total cost of care targets, the Plan shall identify appropriate allocations of health care resources and services across the State that balance quality, access, and cost containment. The Plan shall also establish targets for the percentages of overall health care spending that should reflect spending on primary care services, including mental health services, and on preventive care services, which targets shall be aligned with the total cost of care targets.

(8) Build on data and information from:

(A) the transformation planning resulting from 2022 Acts and Resolves No. 167, Secs. 1 and 2;

(B) the expenditure analysis and health care spending estimate developed pursuant to section 9383 of this title;

(C) the State Health Improvement Plan adopted pursuant to subsection 9405(a) of this title;

(D) the Health Resource Allocation Plan published by the Green Mountain Care Board in accordance with subsection 9405(b) of this title;

(E) hospitals' community health needs assessments and strategic planning conducted in accordance with section 9405a of this title;

(F) hospital and ambulatory surgical center quality information published by the Department of Health pursuant to section 9405b of this title;

(G) the statewide quality assurance program maintained by the Vermont Program for Quality in Health Care pursuant to section 9416 of this title;

(H) the 2020 report determining the proportion of health care spending in Vermont that is allocated to primary care, submitted to the General Assembly by the Green Mountain Care Board and the Department of Vermont Health Access in accordance with 2019 Acts and Resolves No. 17, Sec. 2;

(I) the 2024 report on Blueprint for Health payments to patient-centered medical homes, submitted to the General Assembly by the Agency of Human Services in accordance with 2023 Acts and Resolves No. 51, Sec. 5; and

(J) such additional sources of data and information as the Agency and other stakeholders deem appropriate.

(9) Identify:

(A) opportunities to improve the quality of care across the health care delivery system, including exemplars of high-quality care to stimulate best practice dissemination;

(B) gaps in access to care, as well as unnecessary duplication of services, including circumstances in which service closures or consolidations may result in improvements in quality, access, and affordability;

(C) opportunities to reduce administrative burdens;

(D) federal, State, and other barriers to achieving the Plan's goals and, to the extent feasible, how those barriers can be removed or mitigated;

(E) priorities in steps for achieving the goals of the Plan;

(F) barriers to access to appropriate mental health and substance use disorder services that meet standards of quality, access, and affordability equivalent to other components of health care;

(G) opportunities to integrate health care services for individuals in the custody of the Department of Corrections as part of Vermont's health care delivery system;

(H) enhancements in quality reporting and data collection to provide a more current and accurate picture of the quality of health care delivery across Vermont; and

(I) systems to ensure that reported data is shared with and is accessible to the health care professionals who are providing care, enabling them to track performance and inform improvement.

(c) State agencies shall cooperate with all reasonable requests from the Agency of Human Services for data and other information and assistance needed for the Agency to prepare and update the Plan pursuant to this section.

(d)(1) In 2025 and 2026, the Agency of Human Services shall engage with stakeholders; collect and analyze data; gather information obtained through the processes established in 2022 Acts and Resolves No. 167, Secs. 1 and 2; and solicit input from the public.

(2) In 2027, the Agency shall prepare the Plan.

(3) On or before January 15, 2028, the Agency shall provide the Plan to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

(4) The Agency shall prepare an updated Plan every three years and shall provide it to the General Assembly on or before December 1 of every third year, beginning on December 1, 2030.

Sec. 9. 18 V.S.A. § 9403a is added to read:

§ 9403a. HEALTH CARE DELIVERY ADVISORY COMMITTEE

(a) There is created the Health Care Delivery Advisory Committee to:

(1) establish health care affordability benchmarks;

(2) evaluate and monitor the performance of Vermont's health care system and its impacts on population health outcomes;

(3) collaborate with the Agency of Human Services and other interested stakeholders in the development and maintenance of the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title;

(4) consider the recommendations of the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title;

(5) advise the Green Mountain Care Board on the design and implementation of an ongoing evaluation process to continuously monitor current performance in the health care delivery system; and

(6) provide coordinated and consensus recommendations to the General Assembly on issues related to health care delivery, including primary care, and population health.

(b)(1) The Advisory Committee shall be composed of the following 18 members:

(A) the Secretary of Human Services or designee;

(B) the Chair of the Green Mountain Care Board or designee;

(C) the Chief Health Care Advocate from the Office of the Health Care Advocate or designee;

(D) two members of the Vermont Steering Committee for Comprehensive Primary Health Care, selected by the Steering Committee;

(E) one representative of commercial health insurers offering major medical health insurance plans in Vermont, selected by the Commissioner of Financial Regulation;

(F) two representatives of Vermont hospitals, selected by the Vermont Association of Hospitals and Health Systems, who shall represent hospitals that are located in different regions of the State and that face different levels of financial stability;

(G) one representative of Vermont's federally qualified health centers, selected by Bi-State Primary Care Association;

(H) one representative of physicians, selected by the Vermont Medical Society;

(I) one representative of independent physician practices, selected by HealthFirst;

(J) one representative of advanced practice registered nurses, selected by the Vermont Nurse Practitioners Association;

(K) one representative of Vermont's designated and specialized service agencies, selected by Vermont Care Partners;

(L) one preferred provider from outside the designated and specialized service agency system, selected by the Commissioner of Health;

(M) one Vermont-licensed mental health professional from an independent practice, selected by the Commissioner of Mental Health;

(N) one representative of Vermont's home health agencies, selected jointly by the VNAs of Vermont and Bayada Home Health Care; and

(O) one representative of long-term care facilities, selected by the Vermont Health Care Association; and

(P) one representative of small businesses, selected by the Vermont Chamber of Commerce.

(2) The Advisory Committee shall consult with and solicit input from the Health Equity Advisory Commission; physician assistants, physical therapists, and other health care professionals who are not members of the Advisory Committee; Vermont's free clinic programs; the Vermont Program for Quality in Health Care; and other relevant stakeholders.

(3) The Secretary of Human Services or designee shall be the Chair of the Advisory Committee.

(4) The Agency of Human Services shall provide administrative and technical assistance to the Advisory Committee.

(c) Members of the Advisory Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Advisory Committee.

Sec. 9a. 18 V.S.A. § 9403b is added to read:

§ 9403b. VERMONT STEERING COMMITTEE FOR COMPREHENSIVE PRIMARY HEALTH CARE

(a) There is created the Vermont Steering Committee for Comprehensive Primary Health Care to inform the work of State government, including the Blueprint for Health and the Office of Health Care Reform in the Agency of Human Services, as it relates to access to, delivery of, and payment for primary care services in Vermont.

(b) The Steering Committee shall be composed of the following members:

(1) the Chair of the Department of Family Medicine at the University of Vermont Larner College of Medicine or designee;

(2) the Chair of the Department of Pediatrics at the University of Vermont Larner College of Medicine or designee;

(3) the Associate Dean for Primary Care at the University of Vermont Larner College of Medicine or designee;

(4) the Executive Director of the Vermont Child Health Improvement Program at the University of Vermont Larner College of Medicine or designee;

(5) the President of the Vermont Academy of Family Physicians or designee;

(6) the President of the American Academy of Pediatrics, Vermont Chapter, or designee;

(7) a member of the Green Mountain Care Board's Primary Care Advisory Committee, selected by the Green Mountain Care Board;

(8) the Executive Director of the Blueprint for Health;

(9) a primary care clinician who practices at an independent practice, selected by HealthFirst;

(10) a primary care clinician who practices at a federally qualified health center, selected by Bi-State Primary Care Association;

(11) a primary care physician, selected by the Vermont Medical Society;

(12) a primary care physician assistant, selected by the Physician Assistant Academy of Vermont;

(13) a primary care nurse practitioner, selected by the Vermont Nurse Practitioners Association;

(14) a mental health provider who practices at a community mental health center designated pursuant to section 8907 of this title, selected by Vermont Care Partners;

(15) a licensed independent clinical social worker, selected by the National Association of Social Workers, Vermont Chapter; and

(16) a psychologist, selected by the Vermont Psychological Association.

(c) The Steering Committee shall:

(1) engage in an ongoing assessment of comprehensive primary care needs in Vermont;

(2) provide recommendations for recruiting and retaining high-quality primary care providers, including on ways to encourage new talent to join Vermont's primary care workforce;

(3) develop proposals for sustainable payment models for primary care;

(4) identify methods for enhancing Vermonters' access to primary care;

(5) recommend opportunities to reduce administrative burdens on primary care providers;

(6) recommend mechanisms for measuring the quality of primary care services delivered in Vermont;

(7) provide input regarding comprehensive primary health care for the Statewide Health Care Delivery Strategic Plan as it is developed, updated, and implemented pursuant to section 9403 of this title;

(8) consult with the Green Mountain Care Board in the event that the Board develops reference-based pricing for primary care providers as permitted under subdivision 9376(e)(5) of this title; and

(9) offer additional recommendations and guidance to the Blueprint for Health, the Office of Health Care Reform, the General Assembly, and others in State government on ways to increase access to primary care services and to improve patient and provider satisfaction with primary care delivery in Vermont.

(d) The Steering Committee shall receive administrative and technical assistance from the Agency of Human Services.

(e)(1) The Executive Director of the Blueprint for Health shall call the first meeting of the Steering Committee to occur on or before September 1, 2025.

(2) The Steering Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership of the Steering Committee shall constitute a quorum.

(f) Members of the Steering Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Steering Committee.

* * * Data Integration; Data Sharing * * *

Sec. 10. 18 V.S.A. § 9353 is added to read:

§ 9353. INTEGRATION OF HEALTH CARE DATA; REPORTS

(a) The Agency of Human Services shall collaborate with the Health Information Exchange Steering Committee in the development of the Unified Health Data Space in order to improve patient and provider access to relevant information, increase efficiencies and decrease administrative burdens on providers, and reduce health care system costs.

(b) The Agency's development of the Unified Health Data Space shall:

(1) align with the statewide Health Information Technology Plan established pursuant to section 9351 of this title;

(2) utilize the expertise of the Health Information Exchange Steering Committee;

(3) incorporate appropriate privacy and security standards that are aligned with the best privacy and security interests of patients;

(4) determine whether to integrate clinical data, claims data, data regarding social drivers of health and health-related social needs, and other data types and, if so, how to do so in a manner that protects proprietary information relating to payers and providers; provided, however, that integration of these data types or a subset of them shall not begin prior to January 1, 2027 and shall occur only upon the favorable vote of a majority of all voting members of the Health Information Exchange Steering Committee and only for the specific uses approved by a majority of all voting members of the Steering Committee;

(5) if data is integrated in accordance with subdivision (4) of this subsection, limit the use of the integrated data to the specific uses approved by the Health Information Exchange Steering Committee;

(6) ensure interoperability among contributing data sources and applications to enable use of the Unified Health Data Space;

(7) identify the resources necessary to complete data linkages for policy, health surveillance, population health management, and research usage and for the data integration uses approved by the Health Information Exchange Steering Committee pursuant to subdivisions (4) and (5) of this subsection;

(8) establish a timeline for setup and access to the integrated system;

(9) develop and implement a system that ensures rapid access for patients and providers; and

(10) identify additional opportunities for future development, including incorporating new data types and larger populations.

(c) The Agency shall provide access to data to State agencies and health care providers as needed to support the goals of the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established, to the extent permitted by the data use agreements in place for each data set and the uses approved pursuant to subdivision (b)(4) of this section.

(d)(1) On or before January 15, 2026, the Agency of Human Services shall report to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare regarding the advantages and disadvantages of integrating clinical data, claims data, data regarding social drivers of health and health-related social needs, and other data types in the Unified Health Data Space; how an integrated system can improve patient and provider access to relevant information, increase efficiencies and decrease administrative burdens on providers, increase access to and quality of health care for Vermonters, and reduce health care system costs; and how an integrated system can be implemented in a manner that protects proprietary information relating to payers and providers.

(2) On or before January 15 annually beginning in 2027, the Agency of Human Services shall provide an update to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare regarding the development and implementation of the Unified Health Data Space in accordance with this section.

Sec. 11. 18 V.S.A. § 9374 is amended to read:

§ 9374. BOARD MEMBERSHIP; AUTHORITY

* * *

(i)(1) In addition to any other penalties and in order to enforce the provisions of this chapter and empower the Board to perform its duties, the Chair of the Board may issue subpoenas, examine persons, administer oaths, and require production of papers and records. Any subpoena or notice to produce may be served by registered or certified mail or in person by an agent of the Chair. Service by registered or certified mail shall be effective three business days after mailing. Any subpoena or notice to produce shall provide at least six business days' time from service within which to comply, except that the Chair may shorten the time for compliance for good cause shown. Any subpoena or notice to produce sent by registered or certified mail, postage prepaid, shall constitute service on the person to whom it is addressed.

(2) Each witness who appears before the Chair under subpoena shall receive a fee and mileage as provided for witnesses in civil cases in Superior Courts; provided, however, any person subject to the Board's authority shall not be eligible to receive fees or mileage under this section.

(3) The Board may share any information, papers, or records it receives pursuant to a subpoena or notice to produce issued under this section with the Agency of Human Services or the Department of Financial Regulation, or both, as appropriate to the work of the Agency or Department, provided that the Agency or Department agrees to maintain the confidentiality of any information, papers, or records that are exempt from public inspection and copying under the Public Records Act.

* * *

* * * Health Care Reforms Addressing Exigent Needs * * *

Sec. 11a. HEALTH CARE SPENDING REDUCTIONS; AGENCY OF HUMAN SERVICES; REPORTS

(a)(1) The Agency of Human Services shall facilitate collaboration and coordination among health care providers in order to encourage cooperation in developing rapid responses to the urgent financial pressures facing the health care system and to identify opportunities to increase efficiency, improve the quality of health care services, reduce spending on prescription drugs, and increase access to essential services, including primary care, emergency departments, mental health and substance use disorder treatment services, prenatal care, and emergency medical services and transportation, while

reducing hospital spending for hospital fiscal year 2026 by not less than 2.5 percent.

(2) The Agency of Human Services shall facilitate and supervise the participation of hospitals and other health care providers in the process set forth in subdivision (1) of this subsection as necessary for this collaborative process to be afforded state-action immunity under applicable federal and State antitrust laws.

(b) The Agency of Human Services shall report on the proposed reductions that it has approved pursuant to this section, including applicable timing and appropriate accountability measures, to the Health Reform Oversight Committee and the Joint Fiscal Committee on or before July 1, 2025. On or before the first day of each month of hospital fiscal year 2026, beginning on October 1, 2025, the Agency shall provide updates to the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, regarding progress in implementing and achieving the hospital spending reductions identified pursuant to this section.

Sec. 11b. HEALTH CARE SYSTEM TRANSFORMATION; AGENCY OF HUMAN SERVICES; REPORTS

(a) The Agency of Human Services shall identify specific outcome measures for determining whether, when, and to what extent each of the following goals of its health care system transformation efforts pursuant to 2022 Acts and Resolves No. 167 (Act 167) has been met:

(1) reduce inefficiencies;

(2) lower costs;

(3) improve health outcomes;

(4) reduce health inequities; and

(5) increase access to essential services.

(b)(1) The Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee:

(A) the specific outcome measures developed pursuant to subsection (a) of this section, along with a timeline for accomplishing them;

(B) how the Agency will determine its progress in accomplishing the outcome measures and achieving the transformation goals, including how it will determine the amount of savings attributable to each inefficiency reduced and how it will evaluate increases in access to essential services;

(C) the impact that each transformation decision made by an individual hospital as part of the Act 167 transformation process has or will have on the State's health care system, including on health care costs and on health insurance premiums;

(D) how the Agency is tracking and coordinating the transformation efforts of individual hospitals to ensure that they complement the transformation efforts of other hospitals and other health care providers and that they will contribute in a positive way to a transformed health care system that meets the Act 167 goals; and

(E) the amount of State funds, and federal funds, if applicable, that the Agency has spent on Act 167 transformation efforts to date or has obligated for those purposes and the amount of unspent State funds appropriated for Act 167-related purposes that remain for the Agency's Act 167 transformation efforts.

(2) On or before the first day of each month beginning on August 1, 2025 through January 1, 2027, the Agency shall provide the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, with updates on each of the items set forth in subdivisions (1)(A)–(E) of this subsection.

Sec. 11c. HEALTH CARE SYSTEM TRANSFORMATION; INCENTIVES; TELEHEALTH

(a) To encourage hospitals to engage proactively, think expansively, and propose transformation initiatives that will reduce costs to Vermont's health care system without negatively affecting health care quality or jeopardizing access to necessary services, the Agency of Human Services shall award grants to the hospitals in State fiscal year 2026 that actively participate in health care transformation efforts to assist them in building partnerships, reducing hospital costs for hospital fiscal year 2026, and expanding Vermonters' access to health care services, including those delivered using telehealth. It is the intent of the General Assembly that the funds appropriated in Sec. 18(b) of this act should be awarded on a first-come, first-served basis until all of the funds have been distributed.

(b) On or before December 1, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee regarding how much of the $2,000,000.00 appropriated to the Agency pursuant to Sec. 18(b) of this act was obligated as of November 15, 2025 and how much had already been disbursed to hospitals as of that date.

Sec. 11d. DEPARTMENT OF FINANCIAL REGULATION; DOMESTIC HEALTH INSURER SUSTAINABILITY; REPORT

On or before November 1, 2025, the Department of Financial Regulation shall provide to the Health Reform Oversight Committee a plan for preserving the sustainability of domestic health insurers in Vermont, which may include utilizing reinsurance.

* * * Retaining Accountable Care Organization Capabilities * * *

Sec. 12. RETAINING ACCOUNTABLE CARE ORGANIZATION CAPABILITIES; REPORT

The Agency of Human Services shall explore opportunities to retain capabilities developed by or on behalf of a certified accountable care organization that were funded in whole or in part using State or federal monies, or both, and that have the potential to make beneficial contributions to Vermont's health care system, such as capabilities related to comprehensive payment reform and quality data measurement and reporting. On or before December 1, 2025, the Agency of Human Services shall report its findings and recommendations to the Health Reform Oversight Committee.

* * * Implementation Updates * * *

Sec. 13. [Deleted.]

Sec. 14. GREEN MOUNTAIN CARE BOARD; IMPLEMENTATION; REPORT

On or before February 15, 2026, the Green Mountain Care Board shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Board's implementation of this act, including the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and development of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 15. 3 V.S.A. § 3027 is amended to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY AND AFFORDABILITY; REPORT

(a) The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for

coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

(b) On or before February 15 annually, the Agency of Human Services shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding all of the following:

(1) The status of the Agency's efforts to develop, update, and implement the Statewide Health Care Delivery Strategic Plan in accordance with 18 V.S.A. § 9403. The Agency shall adopt an evaluation framework using an evidence-based approach to assess both the effectiveness of Plan development and implementation and the Plan's overall impact. The evaluation shall include identifying what was accomplished, how well it was executed, and the benefits to specific cohorts within Vermont's health care system, and the Agency shall include updated evaluation results annually as part of its report.

(2) The activities of the Health Care Delivery Advisory Committee established pursuant to 18 V.S.A. § 9403a during the previous calendar year.

(3) The effects of the Statewide Health Care Delivery Strategic Plan, the efforts and activities of the Health Care Delivery Advisory Committee, and other efforts and activities engaged in or directed by the Agency on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 16. 18 V.S.A. § 9375(d) is amended to read:

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

* * *

(G) the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and development of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont;

(H) any recommendations for modifications to Vermont statutes; and

~~(H)~~(I) any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

* * *

* * * Positions; Appropriations * * *

Sec. 17. GREEN MOUNTAIN CARE BOARD; POSITIONS

(a) The establishment of the following three new permanent classified positions is authorized at the Green Mountain Care Board in fiscal year 2026:

(1) one Director, Reference-Based Pricing;

(2) one Project Manager, Reference-Based Pricing; and

(3) one Operations, Procurement, and Contractual Oversight Manager.

(b) These positions shall be transferred and converted from existing vacant positions in the Executive Branch.

Sec. 18. APPROPRIATIONS

(a) The sum of $2,200,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2026 for use as follows:

(1) $2,000,000.00 for feasibility analysis and transformation plan development with hospitals, designated agencies, primary care organizations, and other community-based providers;

(2) $100,000.00 for development of quality and access measures, targets, and monitoring strategies for the Statewide Health Care Delivery Strategic Plan; and

(3) $100,000.00 to support the development of alternative payment models.

(b) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $2,000,000.00 is appropriated from the Health IT-Fund to the Agency of Human Services in fiscal year 2026 for grants to hospitals for the collaborative efforts to reduce hospital costs in accordance with Secs. 11a and 11c of this act and to expand access to health care services, such as by enhancing telehealth infrastructure development.

(c)(1) The sum of $1,062,500.00 is appropriated to the Green Mountain Care Board in fiscal year 2026 for use as follows:

(A) $512,500.00 for the positions authorized in Sec. 17 of this act, as set forth in subdivision (2) of this subsection (c);

(B) $500,000.00 from the General Fund for contracts, including contracts for assistance with implementing reference-based pricing in accordance with this act; and

(C) $50,000.00 from the General Fund for a contract with the Vermont Program for Quality in Health Care to engage in quality initiatives in accordance with this act.

(2) Of the funds appropriated in subdivision (1)(A) of this subsection:

(A) $205,000.00 is appropriated from the General Fund; and

(B) $307,500.00 is appropriated from the Green Mountain Care Board Regulatory and Administrative Fund.

(d) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $150,000.00 is appropriated from the Health IT-Fund to the Green Mountain Care Board in fiscal year 2026 for expenses associated with increased standardization of electronic hospital budget data submissions in accordance with Sec. 4 of this act.

(e) It is the intent of the General Assembly to provide sufficient resources in future fiscal years to enable the Green Mountain Care Board to fully implement global hospital budgets in accordance with 18 V.S.A. § 9456(d)(1)(B).

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Sec. 16 (18 V.S.A. § 9375(d); Green Mountain Care Board annual report) shall take effect on July 1, 2026.

(b) Secs. 17 (Green Mountain Care Board; positions) and 18 (appropriations) shall take effect on July 1, 2025.

(c) The remaining sections shall take effect on passage.

SEN. VIRGINIA V. LYONS
SEN. MARTINE LAROCQUE GULICK
SEN. SAMUEL A. DOUGLASS
Committee on the part of the Senate

REP. ALYSSA BLACK
REP. FRANCIS M. "TOPPER"MCFAUN
REP. DAISY BERBECO
Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Immediate Consideration;Third Reading Ordered; Rules Suspended; All Remaining Stages of Passage; Resolution Adopted

S.R. 15.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and Senate resolution entitled:

Senate resolution urging that all State agencies, departments, and offices protect the civil rights, medical confidentiality, and all aspects of personal privacy of Vermonters who have been diagnosed with autism in light of the Secretary of the U.S. Health and Human Services' recently announced plans to establish an autism research database and other databases related to autism.

Was taken up for immediate consideration.

Senator Lyons, for the Committee on Health and Welfare, to which was referred the resolution, reported that the resolution ought to be adopted.

Thereupon, the resolution was read the second time by title only pursuant to Rule 43, and third reading of the resolution was ordered.

Thereupon, on motion on Senator Baruth, the rules were suspended and the resolution was placed in all remaining stages of passage.

Thereupon, the resolution was read the third time and adopted.

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill were ordered messaged to the House forthwith:

S. 122, H. 472.

Rules Suspended; Bills Delivered

On motion of Senator Baruth, the rules were suspended, and the following bills were ordered delivered to the Governor forthwith:

S. 12, S. 124, S. 126.

Adjournment

On motion of Senator Baruth the Senate adjourned until two o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Message from the House No. 77

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 45. An act relating to protection from nuisance suits for agricultural activities.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Durfee of Shaftsbury
Rep. LaLonde of South Burlington
Rep. Morgan, L. of Milton.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 123. An act relating to miscellaneous changes to laws related to motor vehicles.

And has adopted the same on its part.

The House has considered Senate proposal of amendment to House bill of the following title:

H. 484. An act relating to miscellaneous agricultural subjects.

And has concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

The House has considered Senate proposal of amendment to House proposal of amendment to Senate proposal of amendment to the House bill of the following title:

H. 266. An act relating to the 340B prescription drug pricing program.

And has concurred therein.

Message from the House No. 78

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to House proposal of amendment to Senate bill of the following title:

S. 122. An act relating to economic and workforce development.

And has concurred therein.

Senate Resolution Referred

S.R. 16.

Senate resolution of the following title was offered, read the first time and is as follows:

Offered by Senators Gulick and Lyons,

S.R. 16. Senate resolution relating to opposing recent federal actions that threaten public health and urging their swift reversal.

Whereas, on January 20, 2025, President Donald J. Trump issued an Executive Order to withdraw the United States from the World Health Organization (WHO), a move that jeopardizes the health and well-being of Vermonters, other Americans, and individuals all around the world because of the WHO's focus on improving public health and on detecting, preventing, and responding to health emergencies, including disease outbreaks that do not respect state lines or international borders, and

Whereas, the U.S. Department of Health and Human Services is eliminating the jobs of approximately 20,000 employees, including at the Centers for Disease Control and Prevention (CDC), where teams were cut whose work focused on preventing injuries and violence from causes including motor vehicle crashes, child maltreatment, and traumatic brain injury; on tracking trends in mental health and substance use disorders; on rape prevention and education; on maternal mortality and maternal and child health; and on many other areas affecting public health in Vermont, the United States, and beyond, and

Whereas, the Trump Administration has eliminated the entire management and regulations divisions at the Center for Tobacco Products in the Food and Drug Administration and cut most of the staff at the Office on Smoking and Health at the CDC, which severely hampers tobacco regulation and enforcement efforts and will have a negative impact on tobacco prevention in Vermont's youth and on Vermonters' public health, and

Whereas, the National Institutes of Health, a part of the U.S. Department of Health and Human Services that describes itself as "the nation's medical research agency — making important discoveries that improve health and save lives," is now refusing to award grant funds to universities that operate any programs that advance or promote diversity, equity, and inclusion, which jeopardizes the future of medical research and disregards the existence of health inequities, and

Whereas, the U.S. Department of Education cut approximately

$1 billion in federal grants that support critical mental health services in schools, which will dramatically reduce access to these services and threatens the health and well-being of youth around the country, and

Whereas, it appears that the Secretary of the U.S. Department of Health and Human Services lacks understanding of science and scientific research, including of peer-reviewed research regarding vaccines and autism, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont stands in support of science, opposes these federal actions, and urges their swift reversal, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to President Donald J. Trump, Secretary of Health and Human Services Robert F. Kennedy Jr., and the Vermont Congressional Delegation.

Thereupon, the President, in his discretion, treated the resolution as a bill and referred it to the Committee on Health and Welfare.

Bill Introduced

Senate bill of the following title was introduced, read the first time and referred:

S. 158.

By Senator Lyons,

An act relating to independent expenditure-only political committee contribution limits.

To the Committee on Government Operations.

Rules Suspended; Bills Pending Entry on Notice Calendar for Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills, pending entry on the Calendar for notice, were ordered to be brought up for immediate consideration:

H. 484, S. 123

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 484.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up.

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:First: By striking out Sec. 5, 32 V.S.A. § 3752(1), and its reader assistance heading in their entireties and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. [Deleted.]

Second: In Sec. 17, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The remainder of this act shall take effect on July 1, 2025.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 123.

Senator Brennan, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

An act relating to miscellaneous changes to laws related to motor vehicles.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment with further proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Plug-in Electric Vehicles * * *

Sec. 1. 23 V.S.A. § 4(28) is amended to read:

(28) "Pleasure car" shall include all motor vehicles not otherwise defined in this title and shall include plug-in electric vehicles, battery electric vehicles, or plug-in hybrid electric vehicles as defined pursuant to subdivision (85) of this section.

* * * Veteran's Designation * * *

Sec. 2. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER'S LICENSE; MAINTENANCE OF DATABASE INFORMATION; FEE

* * *

(b)(1) In addition to any other requirement of law or rule, before an enhanced license may be issued to an individual, the individual shall present for inspection and copying satisfactory documentary evidence to determine identity and U.S. citizenship. ~~An~~ A new application shall be accompanied by a photo identity document, documentation showing the individual's date and place of birth, proof of the individual's Social Security number, and documentation showing the individual's principal residence address. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the enhanced license.

(2) If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the individual's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) To be issued, an enhanced license must meet the same requirements as those for the issuance of a U.S. passport. Before an application may be processed, the documents and information shall be verified as determined by the Commissioner.

(4) Any additional personal identity information not currently required by the U.S. Department of Homeland Security shall need the approval of either the General Assembly or the Legislative Committee on Administrative Rules prior to the implementation of the requirements.

* * *

* * * Documentation of Anatomical Gift * * *

Sec. 3. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

* * *

(g) An identification card issued to a first-time applicant and any subsequent renewals by that person shall contain a photograph or imaged likeness of the applicant. The photographic identification card shall be available at a location designated by the Commissioner. An individual issued an identification card under this subsection that contains an imaged likeness may renew ~~his or her~~ the individual's identification card by mail. Except that a renewal by an individual required to have a photograph or imaged likeness under this subsection must be made in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

(k) At the option of the applicant, ~~his or her~~ the applicant's valid Vermont license may be surrendered in connection with an application for an identification card. In those instances, the fee due under subsection (a) of this section shall be reduced by:

* * *

(n) The Commissioner shall provide a form that, upon the individual's execution, shall serve as a document of an anatomical gift under 18 V.S.A. chapter 110. An indicator shall be placed on the nondriver identification card of any individual who has executed an anatomical gift form in accordance with this section.

* * * Disability Placards for Volunteer Drivers * * *

Sec. 4. 23 V.S.A. § 304a is amended to read:

§ 304a. SPECIAL REGISTRATION PLATES AND PLACARDS FOR INDIVIDUALS WITH DISABILITIES

(a) As used in this section:

(1) "Ambulatory disability" means an impairment that prevents or impedes walking. An individual shall be considered to have an ambulatory disability if ~~he or she~~ the individual:

* * *

(F) is severely limited in ~~his or her~~ the individual's ability to walk due to an arthritic, neurological, or orthopedic condition.

* * *

(b) Special registration plates or removable windshield placards, or both, shall be issued by the Commissioner. The placard shall be issued without a fee to an individual who is blind or has an ambulatory disability. One set of plates shall be issued without additional fees for a vehicle registered or leased to an

individual who is blind or has an ambulatory disability or to a parent or guardian of an individual with a permanent disability. The Commissioner shall issue these placards or plates under rules adopted by ~~him or her~~ the Commissioner after proper application has been made to the Commissioner by any person residing within the State. Application forms shall be available on request at the Department of Motor Vehicles.

(1) Upon application for a special registration plate or removable windshield placard, the Commissioner shall send a form prescribed by ~~him or her~~ the Commissioner to the applicant to be signed and returned by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall file the form for future reference and issue the placard or plate. A new application shall be submitted every four years in the case of placards and at every third registration renewal for plates but in no case greater than every four years. When a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has previously certified to the Commissioner that an applicant's condition is both permanent and stable, a special registration plate or placard need not be renewed.

* * *

(3) An individual with a disability who abuses such privileges or allows individuals not disabled to abuse the privileges provided in this section may have this privilege revoked after suitable notice and opportunity for hearing has been given ~~him or her~~ the individual by the Commissioner. Hearings under the provisions of this section shall be held in accordance with sections 105–107 of this title and shall be subject to review by the Civil Division of the Superior Court of the county where the individual with a disability resides.

(4) An applicant for a registration plate or placard for individuals with disabilities may request the Civil Division of the Superior Court in the county in which ~~he or she~~ the applicant resides to review a decision by the Commissioner to deny ~~his or her~~ the applicant's application for a special registration plate or placard.

* * *

(6) On a form prescribed by the Commissioner, a nonprofit organization that provides volunteer drivers to transport individuals who have an ambulatory disability or are blind may apply to the Commissioner for a placard. ~~Placards shall be marked "volunteer driver."~~ The organization shall ensure proper use of placards and maintain an accurate and complete record of the volunteer drivers to whom the placards are given by the organization. Placards shall be returned to the organization when the volunteer driver is no

longer performing that service. Abuse of the privileges provided by the placards may result in the privileges being revoked and the placards repossessed by the Commissioner. Revocation may occur only after suitable notice and opportunity for a hearing. Hearings shall be held in accordance with sections 105–107 of this title.

* * *

(e)(1) An individual, other than an eligible person, who for ~~his or her~~ the individual's own purposes parks a vehicle in a space for individuals with disabilities shall be subject to a civil penalty of not less than $200.00 for each violation and shall be liable for towing charges.

(2) An individual, other than an eligible person, who displays a special registration plate or removable windshield placard not issued to ~~him or her~~ the individual under this section and parks a vehicle in a space for individuals with disabilities, shall be subject to a civil penalty of not less than $400.00 for each violation and shall be liable for towing charges.

* * *

(f) Individuals who have a temporary ambulatory disability may apply for a temporary removable windshield placard to the Commissioner on a form prescribed by ~~him or her~~ the Commissioner. The placard shall be valid for a period of up to six months and displayed as required under the provisions of subsection (c) of this section. The application shall be signed by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The validation period of the temporary placard shall be established on the basis of the written recommendation from a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall adopt rules to implement the provisions of this subsection.

* * * Fees * * *

Sec. 5. 23 V.S.A. § 115(a) is amended to read:

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the

Commissioner may require, consistent with subsection (l) of this section. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) The Commissioner shall require payment of a fee of $29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to:

(A) an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition; or

(B) an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 6. 23 V.S.A. § 376 is amended to read:

§ 376. STATE, MUNICIPAL, FIRE DEPARTMENT, AND RESCUE ORGANIZATION MOTOR VEHICLES

* * *

(h)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles owned by the State.

(2) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles that are owned by any county or municipality in the State and used by that county or municipality or another county or municipality in this State for county or municipal purposes.

(i)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for a motor truck, trailer, ambulance, or other motor vehicle that is:

(A) owned by a volunteer fire department or other volunteer firefighting organization, an ambulance service, or an organization conducting rescue operations; and

(B) used solely for firefighting, emergency medical, or rescue purposes, or any combination of those activities.

(2) A motor vehicle or trailer subject to the provisions of this subsection shall be plainly marked on both sides of the body or cab to indicate its ownership.

Sec. 7. 23 V.S.A. § 378 is amended to read:

§ 378. VETERANS' EXEMPTIONS

No fees, including the annual emissions fee required pursuant to 3 V.S.A. § 2822(m)(1) and the electric vehicle infrastructure fees required pursuant to section 361 of this subchapter, shall be charged ~~an honorably discharged~~ to a veteran of the U.S. Armed Forces who received a discharge under other than dishonorable conditions and is a resident of the State of Vermont for the registration of a motor vehicle that the veteran has acquired with financial assistance from the U.S. Department of Veterans Affairs, or for the registration of a motor vehicle owned by ~~him or her~~ the veteran during ~~his or her~~ the veteran's lifetime obtained as a replacement thereof, when ~~his or her~~ the veteran's application is accompanied by a copy of an approved VA Form 21-4502 issued by the U.S. Department of Veterans Affairs certifying ~~him or her~~ the veteran to be entitled to the financial assistance.

Sec. 8. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(b) An additional fee of $4.00 per year shall be paid for a motorcycle endorsement. The endorsement may be obtained for either a two-year or four-year period, to be coincidental with the length of the operator's license.

(c)(1) Individuals under 23 years of age who were in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 9. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(d) Individuals receiving Supplemental Security Income or Social Security Disability Income and individuals with a disability as defined in 9 V.S.A. § 4501 shall be provided with operator's licenses or operator privilege cards for the following fees:

(1) Original issuance: $20.00.

(2) Renewal every four years: $20.00.

(3) Replacement of lost, destroyed, or mutilated card or a new name is required: $10.00.

* * * Learner's Permits * * *

Sec. 10. 23 V.S.A. § 617 is amended to read:

§ 617. LEARNER'S PERMIT

* * *

(b)(1) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the Commissioner of Motor Vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the Commissioner. The Commissioner shall offer both a motorcycle learner's permit that authorizes the operation of three-wheeled motorcycles only and a motorcycle learner's permit that authorizes the operation of any motorcycle. The Commissioner shall require payment of a fee of $24.00 at the time application is made, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(2) After the applicant has successfully passed all parts of the applicable motorcycle endorsement examination, other than a skill test, the Commissioner may issue to the applicant a learner's permit that entitles the applicant, subject to subsection 615(a) of this title, to operate a three-wheeled motorcycle only, or to operate any motorcycle, upon the public highways for a period of 120 days from the date of issuance. The fee for the examination shall be $11.00, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(3) A motorcycle learner's permit may be renewed only twice upon payment of a $24.00 fee. An individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for the renewal of a motorcycle learner's permit.

(4) If, during the original permit period and two renewals the permittee has not successfully passed the applicable skill test or motorcycle rider training course, the permittee may not obtain another motorcycle learner's permit for a period of 12 months from the expiration of the permit unless:

(A) ~~he or she~~ the permittee has successfully completed the applicable motorcycle rider training course; or

(B) the learner's permit and renewals thereof authorized the operation of any motorcycle and the permittee is seeking a learner's permit for the operation of three-wheeled motorcycles only.

* * *

(c) No learner's permit may be issued to any person under 18 years of age unless the parent or guardian of, or a person standing in loco parentis to, the applicant files ~~his or her~~ written consent to the issuance with the Commissioner.

(d)(1) An applicant shall pay $24.00 to the Commissioner for each learner's permit or a duplicate or renewal thereof.

(2) An applicant under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for a learner's permit or a duplicate or renewal thereof.

(3) A replacement learner's permit for the operation of a motorcycle may be generated from the applicant's electronic account for no charge.

(e)(1) A learner's permit~~, which is not a learner's permit~~ for the operation of a motorcycle~~,~~ shall contain a photograph or imaged likeness of the individual. A learner's permit for a motor vehicle shall contain a photograph or imaged likeness of the individual if the permit is obtained in person. ~~The photographic learner's permit shall be available at locations designated by the Commissioner.~~

(2) An individual issued a permit under this subsection may renew ~~his or her~~ the individual's permit by mail or online, but a permit holder who chooses to have a photograph or imaged likeness under this subsection must renew in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

* * * Commercial Learner's Permit * * *

Sec. 11. 23 V.S.A. § 4111a is amended to read:

§ 4111a. COMMERCIAL LEARNER'S PERMIT

(a) Contents of permit. A commercial learner's permit shall contain the following:

* * *

(3) physical and other information to identify and describe the permit holder, including the month, day, and year of birth; sex; ~~and~~ height; and photograph;

* * *

Sec. 12. 23 V.S.A. § 4122 is amended to read:

§ 4122. DEFERRING IMPOSITION OF SENTENCE; PROHIBITION ON MASKING OR DIVERSION

(a) No court, State's Attorney, or law enforcement officer may utilize the provisions of 13 V.S.A. § 7041 or any other program to defer imposition of sentence or judgment if the defendant holds a commercial driver's license, commercial learner's permit, or was operating a commercial motor vehicle when the violation occurred and is charged with violating any State or local traffic law other than ~~a~~ parking ~~violation~~, vehicle weight, or vehicle defect violations.

* * *

* * * License Examinations * * *

Sec. 13. 23 V.S.A. § 632 is amended to read:

§ 632. EXAMINATION REQUIRED; WAIVER

(a) Before an operator's or a junior operator's license is issued to an applicant for the first time in this State, or before a renewal license is issued to an applicant whose previous Vermont license had expired more than three years prior to the application for renewal, the applicant shall pass a satisfactory examination, except that the Commissioner may, in ~~his or her~~ the Commissioner's discretion, waive the examination when the applicant holds a chauffeur's, junior operator's, or operator's license in force at the time of application or within three years prior to the application in some other jurisdiction where an examination is required similar to the examination required in this State.

(b) The examination shall consist of:

* * *

(3) at the discretion of the Commissioner, such other examination or demonstration as ~~he or she~~ the Commissioner may prescribe, including an oral eye examination.

(c) An applicant may have an individual of ~~his or her~~ the applicant's choosing at the oral examination or road test to serve as an interpreter, including to translate any oral commands given as part of the road test.

Sec. 14. 23 V.S.A. § 634 is amended to read:

§ 634. FEE FOR EXAMINATION

* * *

(b)(1) ~~A~~ Beginning on or before July 1, 2026, a scheduling fee of $29.00 shall be paid by the applicant before the applicant may schedule the road test required under section 632 of this title. ~~Unless an applicant gives the Department at least 48 hours' notice of cancellation, if~~

(2) If the applicant does not appear as scheduled, the $29.00 scheduling fee ~~is~~ shall be forfeited, unless either:

(A) the applicant gives the Department at least 48 hours' notice; or

(B) the applicant shows good cause for the cancellation, as determined by the Commissioner.

(3) If the applicant appears for the scheduled road test, the fee shall be applied toward the license examination fee. ~~The Commissioner may waive the scheduling fee until the Department is capable of administering the fee electronically.~~

* * *

* * * Non-Real ID Operator's Privilege Cards * * *

Sec. 15. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

(a)(1) The Commissioner or ~~his or her~~ the Commissioner's authorized agent may license operators and junior operators when an application, on a form prescribed by the Commissioner, signed and sworn to by the applicant for the license, is filed with ~~him or her~~ the Commissioner, accompanied by the required license fee and any valid license from another state or Canadian jurisdiction is surrendered.

(2) The Commissioner may, however, in ~~his or her~~ the Commissioner's discretion, refuse to issue a license to any person whenever ~~he or she~~ the Commissioner is satisfied from information given ~~him or her~~ the Commissioner by credible persons, and upon investigation, that the person is

mentally or physically unfit or, because of ~~his or her~~ the person's habits or record as to crashes or convictions, is unsafe to be trusted with the operation of motor vehicles. A person refused a license under the provisions of this subsection shall be entitled to hearing as provided in sections 105–107 of this title.

* * *

(d) Except as provided in subsection (e) of this section:

(1) ~~A~~ An applicant who is a citizen of a foreign country shall produce ~~his or her~~ the applicant's passport and visa, alien registration receipt card (green card), or other proof of legal presence for inspection and copying as a part of the application process for an operator's license, junior operator's license, or learner's permit.

(2) An operator's license, junior operator's license, or learner's permit issued to an applicant who is a citizen of a foreign country shall expire coincidentally with ~~his or her~~ the applicant's authorized duration of stay.

(e)(1) A citizen of a foreign country unable to establish legal presence in the United States who furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and who satisfies all other requirements of this chapter for obtaining a license or permit, shall be eligible to obtain an operator's privilege card, a junior operator's privilege card, or a learner's privilege card.

* * *

(f) ~~Persons~~ Applicant's able to establish lawful presence in the United States but who otherwise fail to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201-202, shall be eligible for an operator's privilege card, a junior operator's privilege card, or a learner's privilege card, provided the applicant furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and satisfies all other requirements of this chapter for obtaining a license or permit. The Commissioner shall require applicants under this subsection to furnish a document or a combination of documents that reliably proves the applicant's Vermont residence and ~~his or her~~ the applicant's name, date of birth, and place of birth.

* * *

(h) A privilege card issued under this section shall:

(1) on its face bear the phrase ~~"privilege card"~~ "non-Real ID" and text indicating that it is not valid for federal identification or official purposes; and

* * *

* * * License Extension * * *

Sec. 16. 23 V.S.A § 604 is added to read:

§ 604. EARLY RENEWAL

(a) The holder of an operator's license or privilege card issued under the provisions of this subchapter may renew the operator's license or privilege card at any time prior to the expiration of the operator's license or privilege card. If one or more years remain before the expiration of the operator's license or privilege card, the Commissioner shall reduce the cost of the renewed operator's license or privilege card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the operator's license or privilege card.

(b) All application and documentation requirements for the renewal of an operator's license or privilege card shall apply to the early renewal of an operator's license or privilege card.

Sec. 17. 23 V.S.A. § 115b is added to read:

§ 115b. EARLY RENEWAL

(a) The holder of a nondriver identification card issued under the provisions of section 115 of this chapter may renew the nondriver identification card at any time prior to the expiration of the nondriver identification card. If one or more years remain before the expiration of the nondriver identification card, the Commissioner shall reduce the cost of the renewed nondriver identification card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the nondriver identification card.

(b) All application and documentation requirements for the renewal of a nondriver identification card pursuant to section 115 of this chapter shall apply to the early renewal of a nondriver identification card.

Sec. 18. INFORMATION REGARDING PRIVILEGE CARDS AND NONDRIVER IDENTIFICATION CARDS; INTENT

It is the intent of the General Assembly that the Commissioner of Motor Vehicles, to the extent permitted by federal law, ensures that any individual who is unable to or does not wish to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201 and 202 continues to be informed of the option of applying for an operator's privilege card pursuant to the provisions of 23 V.S.A. § 603(f) or a nondriver identification card pursuant to the provisions of 23 V.S.A. § 115.

Sec. 19. OUTREACH; UPDATES

(a) On or before November 15, 2025, the Department of Motor Vehicles shall develop and implement a public education and outreach campaign to inform Vermont residents about:

(1) an individual's ability to obtain an operator's license, operator's privilege card, or nondriver identification card;

(2) an individual's ability under Vermont law to self-attest with respect to the gender marker on the individual's operator's license, operator's privilege card, or nondriver identification card; and

(3) reduced fees that are available to individuals who meet certain requirements.

(b) The Commissioner shall provide two brief, written updates to the House and Senate Committees on Transportation regarding the implementation and utilization of 23 V.S.A. §§ 115b and 604. The first shall be due not more than 30 days after the Department implements the provisions of 23 V.S.A. §§ 115b and 604 and the second shall be due in January 2026.

* * * Commercial Driving Instructors * * *

Sec. 20. 23 V.S.A. § 705 is amended to read:

§ 705. QUALIFICATIONS FOR INSTRUCTOR'S LICENSE

(a) In order to qualify for an instructor's license, each applicant shall:

(1) not have been convicted of:

(A) a felony nor incarcerated for a felony within the 10 years prior to the date of application;

(B) a violation of section 1201 of this title or a like offense in another jurisdiction reported to the Commissioner pursuant to subdivision 3905(a)(2) of this title within the three years prior to the date of application;

(C) a subsequent violation of an offense listed in subdivision 2502(a)(5) of this title or of section 674 of this title; or

(D) a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3;

(2) pass ~~such~~ an examination ~~as~~ required by the Commissioner ~~shall require~~ on:

(A) traffic laws;

(B) safe driving practices;

(C) operation of motor vehicles; and

(D) qualifications as a teacher;

(3) be physically able to operate a motor vehicle and to train others in such operation;

(4) have five years' experience as a licensed operator and be at least 21 years of age on date of application; and

(5) pay the application and license fees prescribed in section 702 of this title.

(b) Commercial motor vehicle instructors shall satisfy the requirements of subdivisions (a)(1), (2), (3), and (5) of this section, and:

(1) If the commercial motor vehicle instructor is a behind the wheel (BTW) instructor, shall either:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

(2) If the commercial motor vehicle instructor is a theory instructor, the instructor shall:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

* * * Motorcycle Instructors * * *

Sec. 21. 23 V.S.A. § 734 is amended to read:

§ 734. INSTRUCTOR REQUIREMENTS AND TRAINING

* * *

(b) The Department shall establish minimum requirements for the qualifications of a rider training instructor. The minimum requirements shall include the following:

* * *

(3) the instructor shall have at least ~~four~~ two years of licensed experience as a motorcycle ~~riding experience~~ operator during the last ~~five~~ four years;

* * *

(7) an applicant shall not be eligible for instructor status until ~~his or her~~ the applicant's driving record for the preceding five years, or the maximum number of years less than five for which a state retains driving records, is furnished; and

* * *

* * * Motor Vehicle Taxes * * *

Sec. 22. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(5)(A) "Taxable cost" means the purchase price as defined in subdivision (4) of this section or the taxable cost as determined under section 8907 of this title.

(B) For any purchaser who has paid tax on the purchase or use of a motor vehicle that was sold or traded by the purchaser or for which the purchaser received payment under a contract of insurance, the taxable cost of the replacement motor vehicle other than a leased vehicle shall exclude:

~~(A)~~(i) The value allowed by the seller on any motor vehicle accepted by the seller as part of the consideration of the motor vehicle, provided the motor vehicle accepted by the seller is owned and previously or currently registered or titled by the purchaser, with no change of ownership since registration or titling, except for motor vehicles for which registration is not required under the provisions of Title 23 or motor vehicles received under the provisions of subdivision 8911(8) of this title.

~~(B)~~(ii) The amount received from the sale of a motor vehicle last registered or titled in the seller's name, the amount not to exceed the clean trade-in value of the same make, type, model, and year of manufacture as designated by the manufacturer and as shown in the ~~NADA Official Used Car Guide (New England edition)~~ J.D. Power Values, or any comparable publication, provided ~~such~~ the sale occurs within three months after the taxable purchase. However, this three-month period shall be extended day-for-day for any time that a member of a guard unit or of the U.S. Armed Forces, as defined in 38 U.S.C. § 101(10), spends outside Vermont due to activation or deployment and an additional 60 days following the individual's return from activation or deployment. ~~Such~~ The amount shall be reported on forms supplied by the Commissioner of Motor Vehicles.

~~(C)~~(iii) The amount actually paid to the purchaser within three months prior to the taxable purchase by any insurer under a contract of collision, comprehensive, or similar insurance with respect to a motor vehicle owned by ~~him or her~~ the purchaser, provided that the vehicle is not subject to the tax imposed by subsection 8903(d) of this title and provided that one of these events occur:

~~(i)~~(I) the motor vehicle with respect to which ~~such~~ the payment is made by the insurer is accepted by the seller as a trade-in on the purchased motor vehicle before the repair of the damage giving rise to insurer's payment; or

~~(ii)~~(II) the motor vehicle with respect to which ~~such~~ the payment is made to the insurer is treated as a total loss and is sold for dismantling.

~~(D)~~(C) A purchaser shall be entitled to a partial or complete refund of taxes paid under subsection 8903(a) or (b) of this title if an insurer makes a payment to ~~him or her~~ the purchaser under contract of collision,

comprehensive, or similar insurance after ~~he or she~~ the purchaser has paid the tax imposed by this chapter, if ~~such~~ the payment by the insurer is either:

* * *

~~(E)~~(D) The purchase price of a motor vehicle subject to the tax imposed by subsections 8903(a) and (b) of this title shall not be reduced by the value received or allowed in connection with the transfer of a vehicle that was registered for use as a short-term rental vehicle.

* * *

Sec. 23. 32 V.S.A. § 8907 is amended to read:

§ 8907. COMMISSIONER; COMPUTATION OF TAXABLE COSTS

(a) The Commissioner may investigate the taxable cost of any motor vehicle transferred subject to the provisions of this chapter. If the motor vehicle is not acquired by purchase in Vermont or is received for an amount that does not represent actual value, or if no tax form is filed or it appears to the Commissioner that a tax form contains fraudulent or incorrect information, the Commissioner may, in the Commissioner's discretion, fix the taxable cost of the motor vehicle at the clean trade-in value of vehicles of the same make, type, model, and year of manufacture as designated by the manufacturer, as shown in ~~the NADA Official Used Car Guide (New England Edition)~~ J.D. Power Values or any comparable publication, less the lease end value of any leased vehicle. The Commissioner may develop a process to determine the value of vehicles that do not have clean trade-in value in J.D. Power Values. The Commissioner may compute and assess the tax due and notify the purchaser verbally, if the purchaser is at a DMV location, or immediately by ~~certified~~ mail, and the purchaser shall remit the same within 15 days ~~thereafter~~ after notice is sent or provided.

* * *

Sec. 24. 32 V.S.A. § 8914 is amended to read:

§ 8914. REFUND

Any overpayment of such tax as determined by the Commissioner shall be refunded. To be eligible to receive a refund, a person shall submit a request for a refund within one year after paying the tax.

* * * Refund of Registration Fee * * *

Sec. 25. 23 V.S.A. § 326 is amended to read:

§ 326. REFUND UPON LOSS OF VEHICLE

The Commissioner may cancel the registration of a motor vehicle when the owner of the motor vehicle proves to the Commissioner's satisfaction that the motor vehicle has been totally destroyed by fire or, through crash or wear, has become wholly unfit for use and has been dismantled. After the Commissioner cancels the registration and the owner returns to the Commissioner either the registration certificate or the number plate or number plates, or other proof of cancellation to the satisfaction of the Commissioner, the Commissioner shall certify to the Commissioner of Finance and Management the fact of the cancellation, giving the name of the owner of the motor vehicle, the owner's address, the amount of the registration fee paid, and the date of cancellation. The Commissioner of Finance and Management shall issue the Commissioner of Finance and Management's warrant in favor of the owner for such percent of the registration fee paid as the unexpired term of the registration bears to the entire registration period, but in no case shall the Commissioner of Finance and Management retain less than $5.00 of the fee paid.

* * * Fuel Tax Refunds * * *

Sec. 26. 23 V.S.A. § 3020 is amended to read:

§ 3020. CREDITS AND REFUNDS

(a) Credits.

(1) A user who purchased fuel within this State from a dealer or distributor upon which ~~he or she~~ the user paid the tax at the time of purchase, or a user exempt from the payment of the tax under subsection 3003(d) of this title who purchased fuel within this State upon which ~~he or she~~ the user paid tax at the time of purchase, shall be entitled to a credit equal to the amount of tax per gallon in effect when the fuel was purchased. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(3) A user who also sells or delivers fuel subject to the tax imposed by 32 V.S.A. chapter 233 upon which the tax imposed by this chapter has been paid shall be entitled to a credit equal to the amount of such tax paid pursuant to this chapter. When the amount of the credit to which any user is entitled for

any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(b) Refunds. A user may request, in writing by mail, a refund of any credits in the user's tax account, but in no case may a user collect a refund requested more than ~~33~~ 12 months following the date the amount was credited to the user's tax account.

* * *

* * * Alteration of Odometers * * *

Sec. 27. 23 V.S.A. § 1704a is amended to read:

§ 1704a. ALTERATION OF ODOMETERS

(a) ~~Any person who sells~~ No person shall:

(1) sell, ~~attempts~~ attempt to sell, or ~~causes~~ cause to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile ~~and has actual knowledge that~~ if the odometer, hubometer reading, or clock meter reading has been changed, tampered with, or defaced without first disclosing ~~same and a person who changes, tampers with, or defaces, or who attempts~~ that information to the buyer;

(2) change, tamper with, or deface, or attempt to change, tamper with, or deface~~,~~ any ~~gauge, dial, or other mechanical instrument, commonly known as an~~ odometer, hubometer, or clock meter~~,~~ in a motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile~~, which, under normal circumstances and without being changed, tampered with, or defaced, is designed to show by numbers or words the distance that the motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile travels,~~; or ~~who~~

(3) willfully ~~misrepresents~~ misrepresent the odometer, hubometer, or clock meter reading on the odometer disclosure statement or similar statement, title, or bill of sale.

(b) A person who violates subsection (a) of this section shall be fined not more than $1,000.00 for a first offense and fined not more than $2,500.00 for each subsequent offense.

* * * Definition of Conviction * * *

Sec. 28. 23 V.S.A. § 102 is amended to read:

§ 102. DUTIES OF COMMISSIONER

* * *

(d)(1) The Commissioner may authorize background investigations for potential employees, which may include criminal, traffic, and financial records checks; provided, however, that the potential employee is notified and has the right to withdraw ~~his or her~~ their name from application. Additionally, employees who are involved in the manufacturing or production of operator's licenses and identification cards, including enhanced licenses, or who have the ability to affect the identity information that appears on a license or identification card, or current employees who will be assigned to such positions, shall be subject to appropriate background checks and shall be provided notice of the background check and the contents of that check. These background checks shall include a name-based and fingerprint-based criminal history records check using at a minimum the Federal Bureau of Investigation's National Crime Information Center and the Integrated Automated Fingerprint Identification database and State repository records on each covered employee.

(2) Employees may be subject to further appropriate security clearances if required by federal law, including background investigations that may include criminal and traffic records checks and providing proof of U.S. citizenship.

(3) The Commissioner may, in connection with a formal disciplinary investigation, authorize a criminal or traffic record background investigation of a current employee; provided, however, that the background review is relevant to the issue under disciplinary investigation. Information acquired through the investigation shall be provided to the Commissioner or designated division director and must be maintained in a secure manner. If the information acquired is used as a basis for any disciplinary action, it must be given to the employee during any pretermination hearing or contractual grievance hearing to allow the employee an opportunity to respond to or dispute the information. If no disciplinary action is taken against the employee, the information acquired through the background check shall be destroyed.

(e) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 29. 23 V.S.A. § 108 is amended to read:

§ 108. APPLICATION FORMS

(a) The Commissioner shall prepare and furnish all forms for applications, crash reports, conviction reports, a pamphlet containing the full text of the motor vehicle laws of the State, and all other forms needed in the proper

conduct of ~~his or her~~ the Commissioner's office. ~~He or she~~ The Commissioner shall furnish an adequate supply of ~~such~~ registration forms, license applications, and motor vehicle laws each year to each town clerk, and to ~~such~~ other persons ~~as may so~~ upon request.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 30. 23 V.S.A. § 1709 is amended to read:

§ 1709. REPORT OF CONVICTIONS TO COMMISSIONER OF MOTOR VEHICLES

(a) The Judicial Bureau and every court having jurisdiction over offenses committed under any law of this State or municipal ordinance regulating the operation of motor vehicles on the highways shall forward a record of any conviction to the Commissioner within 10 days for violation of any State or local law relating to motor vehicle traffic control, other than a parking violation.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 31. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

* * *

(11) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

* * * Drunken Driving * * *

Sec. 32. 23 V.S.A. § 1205 is amended to read:

§ 1205. CIVIL SUSPENSION; SUMMARY PROCEDURE

(a) Refusal; alcohol concentration at or above legal limits; suspension periods.

* * *

(2) Upon affidavit of a law enforcement officer that the officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a limit specified in subsection 1201(a) of this title, at the time of operating, attempting to operate,

or being in actual physical control, the Commissioner shall suspend the person's operating license or nonresident operating privilege or the privilege of an unlicensed operator to operate a vehicle for a period of 90 days and until the person complies with section 1209a of this title. However, during the suspension, an eligible person may operate under the terms of an ignition interlock RDL or ignition interlock certificate issued pursuant to section 1213 of this title.

* * *

(b) Form of officer's affidavit. A law enforcement officer's affidavit in support of a suspension under this section shall be in a standardized form for use throughout the State and shall be sufficient if it contains the following statements:

* * *

(4) The officer informed the person of ~~his or her~~ the person's rights under subsection 1202(d) of this title.

(5) The officer obtained an evidentiary test (noting the time and date the test was taken) and the test indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, or the person refused to submit to an evidentiary test.

* * *

(c) Notice of suspension. On behalf of the Commissioner of Motor Vehicles, a law enforcement officer requesting or directing the administration of an evidentiary test shall serve notice of intention to suspend and of suspension on a person who refuses to submit to an evidentiary test or on a person who submits to a test the results of which indicate that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title. The notice shall be signed by the law enforcement officer requesting the test. A copy of the notice shall be sent to the Commissioner of Motor Vehicles, and a copy shall be mailed or given to the defendant within three business days after the date the officer receives the results of the test. If mailed, the notice is deemed received three days after mailing to the address provided by the defendant to the law enforcement officer. A copy of the affidavit of the law enforcement officer shall also be mailed by first-class mail or given to the defendant within seven days after the date of notice.

* * *

(h) Final hearing.

(1) If the defendant requests a hearing on the merits, the court shall schedule a final hearing on the merits to be held within 21 days after the date of the preliminary hearing. In no event may a final hearing occur more than 42 days after the date of the alleged offense without the consent of the defendant or for good cause shown. The final hearing may only be continued by the consent of the defendant or for good cause shown. The issues at the final hearing shall be limited to the following:

* * *

(D) Whether the test was taken and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title, whether the testing methods used were valid and reliable, and whether the test results were accurate and accurately evaluated. Evidence that the test was taken and evaluated in compliance with rules adopted by the Department of Public Safety shall be prima facie evidence that the testing methods used were valid and reliable and that the test results are accurate and were accurately evaluated.

* * *

(i) Finding by the court. The court shall electronically forward a report of the hearing to the Commissioner. Upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person refused to submit to a test, or upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time the person was operating, attempting to operate, or in actual physical control, the person's operating license, or nonresident operating privilege, or the privilege of an unlicensed operator to operate a vehicle shall be suspended or shall remain suspended for the required term and until the person complies with section 1209a of this title. Upon a finding in favor of the person, the Commissioner shall cause the suspension to be canceled and removed from the record, without payment of any fee.

* * *

(n) Presumption. In a proceeding under this section, if at any time within two hours of operating, attempting to operate, or being in actual physical control of a vehicle a person had an alcohol concentration ~~of~~ at or above a legal limit specified in subsection 1201(a) or (d) of this title, it shall be a rebuttable presumption that the person's alcohol concentration was at or above the applicable limit at the time of operating, attempting to operate, or being in actual physical control.

* * *

Sec. 33. 23 V.S.A. § 1205(d) is amended to read:

(d) Form of notice. The notice of intention to suspend and of suspension shall be in a form prescribed by the Supreme Court. The notice shall include an explanation of rights, a form to be used to request a hearing, and, if a hearing is requested, the date, time, and location of the Criminal Division of the Superior Court where the person must appear for a preliminary hearing. The notice shall also contain, in boldface print, the following:

(1) You have the right to ask for a hearing to contest the suspension of your operator's license.

(2) ~~This notice shall serve as a temporary operator's license and is valid until 12:01 a.m. of the date of suspension.~~ If this is your first violation of section 1201 of this title and if you do not request a hearing, your license will be suspended as provided in this notice. If this is your second or subsequent violation of section 1201 of this title, your license will be suspended on the 11th day after you receive this notice. It is a crime to drive while your license is suspended unless you have been issued an ignition interlock restricted driver's license or ignition interlock certificate.

* * *

* * * Registration Fees for Trucks * * *

Sec. 34. 23 V.S.A. § 367 is amended to read:

§ 367. TRUCKS

(a)(1) The annual fee for registration of tractors, truck-tractors, or motor trucks except truck cranes, truck shovels, road oilers, bituminous distributors, and farm trucks used as specified in subsection (f) of this section shall be based on the total weight of the truck-tractor or motor truck, including body and cab plus the heaviest load to be carried. In computing the fees for registration of tractors, truck-tractors, or motor trucks with trailers or semi-trailers attached, except trailers or semi-trailers with a gross weight of less than ~~6,000~~ 6,099 pounds, the fee shall be based upon the weight of the tractor, truck-tractor, or motor truck, the weight of the trailer or semi-trailer, and the

weight of the heaviest load to be carried by the combined vehicles. In addition to the fee set out in the following schedule, the fee for vehicles weighing between ~~10,000~~ 10,100 and ~~25,999~~ 26,099 pounds inclusive shall be an additional $42.53, the fee for vehicles weighing between ~~26,000~~ 26,100 and ~~39,999~~ 40,099 pounds inclusive shall be an additional $85.03, the fee for vehicles weighing between ~~40,000~~ 40,100 and ~~59,999~~ 60,099 pounds inclusive shall be an additional $297.68, and the fee for vehicles ~~60,000~~ 60,100 pounds and over shall be an additional $467.80. The fee shall be computed at the following rates per 1,000 pounds of weight determined pursuant to this subdivision and rounded up to the nearest whole dollar; the minimum fee for registering a tractor, truck-tractor, or motor truck to ~~6,000~~ 6,099 pounds shall be the same as for the pleasure car type:

$18.21 when the weight ~~exceeds 6,000 pounds but does not exceed 8,000 pounds~~ is at least 6,100 pounds but not more than 8,099 pounds.

$20.83 when the weight ~~exceeds 8,000 pounds but does not exceed 12,000 pounds~~ is at least 8,100 pounds but not more than 12,099 pounds.

$22.97 when the weight ~~exceeds 12,000 pounds but does not exceed 16,000 pounds~~ is at least 12,100 pounds but not more than 16,099 pounds.

$24.56 when the weight ~~exceeds 16,000 pounds but does not exceed 20,000 pounds~~ is at least 16,100 pounds but not more than 20,099 pounds.

$25.71 when the weight ~~exceeds 20,000 pounds but does not exceed 30,000 pounds~~ is at least 20,100 pounds but not more than 30,099 pounds.

$26.26 when the weight ~~exceeds 30,000 pounds but does not exceed 40,000 pounds~~ 30,100 pounds but not more than 40,099 pounds.

$26.90 when the weight ~~exceeds 40,000 pounds but does not exceed 50,000 pounds~~ is at least 40,100 pounds but not more than 50,099 pounds.

$27.13 when the weight ~~exceeds 50,000 pounds but does not exceed 60,000 pounds~~ is at least 50,100 pounds but not more than 60,099 pounds.

$28.06 when the weight ~~exceeds 60,000 pounds but does not exceed 70,000 pounds~~ is at least 60,100 pounds but not more than 70,099 pounds.

$29.00 when the weight ~~exceeds 70,000 pounds but does not exceed 80,000 pounds~~ is at least 70,100 pounds but not more than 80,099 pounds.

$29.94 when the weight ~~exceeds 80,000 pounds but does not exceed 90,000 pounds~~ is at least 80,100 pounds but not more than 90,099 pounds.

(2) ~~Fractions of 1,000 pounds shall be computed at the next highest 1,000 pounds, excepting, however, fractions of hundredweight shall be disregarded.~~ [Repealed.]

* * *

* * * Purchase and Use Tax * * *

Sec. 35. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(6) "Motor vehicle" ~~shall have~~ has the same ~~definition~~ meaning as in 23 V.S.A. § 4(21).

* * *

(12) "Mail" has the same meaning as in 23 V.S.A. § 4(87).

Sec. 36. 32 V.S.A. § 8905 is amended to read:

§ 8905. COLLECTION OF TAX; EDUCATION; APPEALS

(a) Every purchaser of a motor vehicle subject to a tax under subsection 8903(a) of this title shall forward ~~such~~ the tax form to the Commissioner, together with the amount of tax due at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

(b) Every person subject to a use tax under subsection 8903(b) of this title shall forward ~~such~~ the tax form and the tax due to the Commissioner with the registration application or transfer, as the case may be, and fee at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

* * *

(d) Every person required to collect the use tax under subsection 8903(d) of this title shall forward ~~such~~ the tax and a report of ~~same~~ the tax on forms prescribed and furnished by the Commissioner at the frequency determined by the Commissioner.

* * *

(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the Commissioner along with the title application and fee at the time of applying for a certificate of title to ~~such~~ the motor vehicle as a condition precedent to the titling ~~thereof~~ of the motor vehicle.

(g) The Commissioner shall establish procedures for taxpayers to file an appeal regarding the taxpayer's liability for the tax due pursuant to section

8903 of this chapter and compliance with the requirements of this section. The procedures shall include a process by which a taxpayer can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(h) The Commissioner shall create educational and outreach materials for taxpayers that provide information regarding the appeal process established pursuant to subsection (g) of this section and opportunities to resolve disputes.

* * * Excessive Speed * * *

Sec. 37. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against ~~his or her~~ the person's driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to this title of the Vermont Statutes Annotated.)

* * *

(9) Eight points assessed for sections 1003 ~~and~~, 1007, and 1097. State speed zones and local speed limits, more than 30 miles per hour over and in excess of the speed limit.

* * *

* * * Tinted Windows * * *

Sec. 38. 2024 Acts and Resolves No. 165, Secs. 14, 15, and 16 are amended to read:

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

* * * All-Terrain Vehicles * * *

Sec. 39. 23 V.S.A. § 3501 is amended to read:

§ 3501. DEFINITIONS

As used in this chapter:

(1) "All-terrain vehicle" or "ATV" means any nonhighway recreational vehicle, except snowmobiles, having not less than two low pressure tires (10 pounds per square inch, or less); not wider than ~~64~~ 72 inches, with two-wheel

ATVs having permanent, full-time power to both wheels; and having a dry weight of less than 2,500 pounds, when used for cross-country travel on trails or on any one of the following or a combination thereof: land, water, snow, ice, marsh, swampland, and natural terrain. An ATV on a public highway shall be considered a motor vehicle, as defined in section 4 of this title, only for the purposes of those offenses listed in subdivisions 2502(a)(1)(H), (N), (R), (U), (Y), (FF), (GG), (II), and (AAA); (2)(A) and (B); (3)(A), (B), (C), and (D); (4)(A) and (B); and (5) of this title and as provided in section 1201 of this title. An ATV does not include an electric personal assistive mobility device, a motor-assisted bicycle, or an electric bicycle.

* * *

* * * Purchase and Use Tax and Inspections Report * * *

Sec. 40. MOTOR VEHICLE PURCHASE AND USE TAX; INSPECTIONS; REPORT

(a) On or before January 31, 2026, the Commissioner of Motor Vehicles shall submit a written report to the House Committees on Transportation and on Ways and Means and the Senate Committees on Finance and on Transportation regarding the process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax and the impact of annual motor vehicle safety and emissions inspections on Vermonters.

(b) The report shall include, at a minimum, the following:

(1) the number of persons during calendar years 2024 and 2025 who utilized the dealer appraisal process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax;

(2) the age and type of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(3) the difference between the clean trade-in value and the appraised value of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(4) the number of appeals of the taxable cost of a motor vehicle that were filed in calendar years 2024 and 2025;

(5) the number appeals that resulted in a revision of the taxable cost and the difference between the originally assessed taxable cost and the revised taxable cost following the appeal;

(6) a summary of issues identified by persons contacting the Department pursuant to subsection (c) of this section;

(7) a summary of funding and other assistance related to annual motor vehicle safety and emissions inspections that is available to Vermonters with lower income;

(8) an examination of the potential approaches to reduce the financial burden of annual motor vehicle safety and emissions inspections on Vermonters, including the potential to reduce the frequency of inspections to every two years; and

(9) any recommendations for legislative action.

(c)(1) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding concerns with the motor vehicle purchase and use tax process.

(2) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding the affordability of the annual motor vehicle inspection process and suggestions for reducing the financial impact of the inspection process on Vermonters.

(3) The Commissioner shall conduct outreach at Department locations, on the Department's website, and through motor vehicle dealers to make the public aware of the opportunity to contact the Department pursuant to subdivisions (1) and (2) of this subsection.

* * * Operation of Bicycles * * *

Sec. 41. 23 V.S.A. § 1139 is amended to read:

§ 1139. RIDING ON ROADWAYS AND BICYCLE PATHS

(a) ~~A person~~ Due care and riding on the right. An individual operating a bicycle upon a roadway shall exercise due care when passing a standing vehicle or one proceeding in the same direction. Bicyclists generally shall ride as near to the right side of the improved area of the highway right-of-way as is safe, except that a bicyclist:

* * *

(b) ~~Persons riding~~ Riding two abreast. Individuals operating bicycles upon a roadway ~~may~~ shall not ride more than two abreast except on paths or parts of roadways set aside for the exclusive use of bicycles or except as otherwise permitted by the Commissioner of Public Safety in connection with a public sporting event in which case the Commissioner shall be authorized to adopt such rules as the public good requires. ~~Persons~~ Individuals riding two abreast

shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(c) Obedience to traffic-control devices and traffic-control signals. An individual operating a bicycle shall follow all traffic-control devices and traffic-control signals governing motor vehicles except that an individual operating a bicycle who is facing a "walk" signal, as defined in section 1023 of this chapter, may make a turn or proceed across the roadway or intersection in the direction of the signal but shall yield the right of way to any vehicles or pedestrians in the roadway or intersection.

(d) Riding on a partially controlled access highway. Bicycles may be operated on the shoulders of partially controlled access highways, which are those highways where access is controlled by public authority but where there are some connections with selected public highways, some crossings at grade, and some private driveway connections. The Traffic Committee may determine that any portion of these highways is unsafe and therefore closed to bicycle operation.

Sec. 42. 23 V.S.A. § 1139a is added to read:

§ 1139a. BICYCLE CONTROL SIGNALS

(a) Bicycles shall obey bicycle-control signals. An individual operating a bicycle shall obey the instructions of a bicycle-control signal, if present, instead of any traffic-control signal for motor vehicles.

(b) Bicycle-control signal legend.

(1) Green bicycle signal.

(A) An individual operating a bicycle facing a green bicycle signal may proceed straight through the intersection or turn right or left unless a sign prohibits such a turn, provided that:

(i) the individual operating the bicycle will not be in conflict with any simultaneous motor vehicle movements at that location; or

(ii) the bicycle movement at that location is not modified by lane-use signs, turn-prohibition signs, pavement markings, separate turn signal indications, or other traffic-control devices.

(B) An individual operating a bicycle pursuant to a green bicycle signal, including when turning right and left, shall yield the right-of-way to other individuals operating bicycles and pedestrians that are in the intersection when the signal is exhibited.

(2) Steady yellow bicycle signal. An individual operating a bicycle facing a steady yellow bicycle signal is warned that the steady green signal is

being terminated and that the red signal will be exhibited immediately following the steady yellow signal, at which time bicycle traffic traveling in that direction shall not enter the intersection.

(3) Steady red bicycle signal.

(A) An individual operating a bicycle facing a steady red bicycle signal alone shall stop at a clearly marked stop line, or if there is none, shall stop before entering the crosswalk on the near side of the intersection.

(B) Except when a sign is in place prohibiting a turn, an individual operating a bicycle facing a steady red bicycle signal may:

(i) cautiously enter the intersection to turn right; or

(ii) after stopping as required pursuant to subdivision (A) of this subdivision (b)(3), turn left from a one-way street onto a one-way street.

(C) An individual making a turn pursuant to subdivision (B) of this subdivision (b)(3) shall yield the right-of-way to pedestrians and other vehicles that are in the intersection.

(D) An individual operating a bicycle shall not turn right when facing a red arrow signal unless a sign permitting such a turn is present.

(E) An individual operating a bicycle to the left of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning right when facing a steady red bicycle signal and an individual operating a bicycle to the right of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning left when facing a steady red bicycle signal.

Sec. 43. BICYCLE OPERATION AT STOP SIGNS AND SIGNALS; EDUCATION; OUTREACH

On or before April 1, 2026, the Commissioners of Motor Vehicles and of Public Safety, in consultation with stakeholders representing bicyclists, pedestrians, municipalities, and law enforcement agencies, shall develop education and outreach materials to inform vehicle operators, law enforcement officers, municipalities, and members of the public regarding the laws governing to the operation of bicycles on roadways, including at signalized intersections. The materials shall include both written and graphical materials explaining permitted bicycle operations and requirements for the operation of motor vehicles in relation to bicycles, including safe passing distance requirements.

* * * Legal Trails * * *

Sec. 44. FINDINGS; INTENT; LEGAL TRAILS

(a) Findings. The General Assembly finds the following:

(1) Outdoor recreation is a significant part of Vermont's identity and economy.

(2) Trails provide Vermonters and visitors with access to natural beauty throughout the State and are used for a wide variety of outdoor recreational activities throughout the year.

(3) Some trails are also used by Vermonters for travel or to access their homes and properties.

(4) The State and municipalities use some trails to provide maintenance to State and municipal lands and facilities, as well as to provide public safety and rescue services.

(5) Trails may require regular maintenance to ensure that they remain passable and can continue to support recreation, travel, access, and various public services.

(6) While many trails in Vermont have been established through private easements or other agreements, a subset of trails, known as legal trails, lie along public rights-of-way that were once town highways and are governed by the provisions of 19 V.S.A. chapter 3.

(b) Intent. It is the intent of the General Assembly to clarify municipalities' authority to exclusively or cooperatively maintain legal trails under the provisions of 19 V.S.A. chapter 3.

Sec. 45. 19 V.S.A. chapter 3 is amended to read:

CHAPTER 3. TOWN HIGHWAYS

§ 301. DEFINITIONS

As used in this chapter:

* * *

(2) "Legislative body" ~~includes boards of selectmen, aldermen, and village trustees~~ means a legislative body as defined in 24 V.S.A. § 2001.

(3) ~~"Selectmen" includes village trustees and aldermen~~ "Selectboard" means a selectboard as defined in 24 V.S.A. § 2001.

* * *

(8)(A) "Trail" means a public right-of-way that is not a highway and that:

(i) municipalities have the authority to exclusively or cooperatively maintain pursuant to the provisions of this chapter; and

~~(A)~~(ii)(I) previously was a designated town highway having the same width as the designated town highway, or a lesser width if so designated; or

~~(B)~~(II) a new public right-of-way laid out as a trail by the ~~selectmen~~ legislative body for the purpose of providing access to abutting properties or for recreational use.

(B) Nothing in this ~~section~~ subdivision (8) shall be deemed to independently authorize the condemnation of land for recreational purposes or to affect the authority of ~~selectmen~~ legislative bodies to reasonably regulate the uses of recreational trails.

§ 302. CLASSIFICATION OF TOWN HIGHWAYS

(a) For the purposes of this section and receiving State aid, all town highways shall be categorized into one or another of the following classes:

* * *

(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable, they shall be selected with the purposes of securing trunk lines of improved highways from town to town and to places that by their nature have more than normal amount of traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall determine which highways are to be class 2 highways.

(3) Class 3 town highways:

(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a representative of the Agency, shall determine which highways are class 3 town highways.

* * *

(5) Trails shall not be considered highways ~~and the town~~. A municipality shall have the authority to maintain trails but shall not be responsible for any maintenance, including culverts and bridges.

* * *

§ 303. TOWN HIGHWAY CONTROL

Town highways shall be under the general supervision and control of the ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~ The legislative body of a town shall supervise all expenditures.

§ 304. DUTIES OF SELECTBOARD

(a) It shall be the duty and responsibility of the selectboard of the town to, or acting as a board, it shall have the authority to:

* * *

(16) Unless the town electorate votes otherwise, under the provisions of 17 V.S.A. § 2646, appoint a road commissioner, or remove ~~him or her~~ the road commissioner from office, pursuant to 17 V.S.A. § 2651. Road commissioners, elected or appointed, shall have only the powers and authority regarding highways granted to them by the selectboard.

* * *

(24) Maintain trails, but shall not be required to maintain trails.

* * *

* * * Effective Dates * * *

Sec. 46. EFFECTIVE DATES

(a) This section and Secs. 16 and 17 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

(b) Sec. 45 (maintenance of legal trails) shall take effect on April 1, 2026.

(c) Secs. 9 (reduced license fees for individuals receiving SSI or SSDI benefits) and 41 (operation of bicycles) shall take effect on July 1, 2026.

(d) The remaining sections shall take effect on July 1, 2025.

REP. MATTHEW E. WALKER
REP. PHIL POUECH
REP. CANDICE WHITE

Committee on the part of the House

SEN. PATRICK M. BRENNAN
SEN. REBECCA E. WHITE
SEN. WENDY K. HARRISON

Committee on the part of the Senate

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Bill Delivered

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 123.

Rules Suspended; Bill Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered messaged to the House forthwith:

H. 484.

Recess

On motion of Senator Baruth the Senate recessed until four o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until six o'clock in the evening.

Called to Order

The Senate was called to order by the President.

Message from the House No. 79

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 127. An act relating to housing and housing development.

And has adopted the same on its part.

The House has considered Senate proposal of amendment to House bill of the following title:

H. 321. An act relating to miscellaneous cannabis amendments.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

Rules Suspended; Bills on Notice Calendar for Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills and Senate resolution, pending entry on the Calendar for notice, were ordered to be brought up for immediate consideration:

S.R. 16, S. 127, H. 321.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 127.

Senator Ram Hinsdale, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

An act relating to housing and housing development.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

(5)(A) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this ~~subsection~~ section.

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed~~:~~

~~(i) $70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision ~~(2)~~(B) of this ~~subsection~~ subdivision (e)(2), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

(2)~~(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year

forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent

charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need of the community per the housing targets established by the Department of Housing and Community Development.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Housing and Residential Services Planning Committee * * *

Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

(b) Membership. The Committee shall be composed of the following members:

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home- and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the

extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on November 30, 2025.

(g)(1) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 6. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an

electronic or other format as prescribed by the Director~~:~~ education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 7. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 8. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 9. DHCD LAND BANK REPORT

(a) On or before November 1, 2026, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation and ongoing administration of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the establishment and sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

(c) On or before January 15, 2026, the Department of Housing and Community Development shall provide a written update to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on progress made, including a preliminary assessment of the information required in the final report.

* * * Housing and Public Accommodations Protections * * *

Sec. 10. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A landlord or a landlord's agent shall not require a Social Security number for the completion of a residential rental application or refuse to accept an application due to the lack of a Social Security number.

Sec. 11. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or

facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 12. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 13. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation,

gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * LURB Study * * *

Sec. 14. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of

Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

(c) The report shall be submitted to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committee on Environment ~~and Energy~~.

* * * Brownfields * * *

Sec. 15. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the

Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 16. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 17. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 18. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 19. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Tax Increment Financing * * *

Sec. 20. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Affordable housing" has the same meaning as in section § 4303 of this title.

(2) "Affordable housing development" means a housing development of which at least 15 percent of the units are affordable housing units. Affordable units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired.

(3) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(4) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(5) "Developer" means the person undertaking to construct a housing development.

(6) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(7) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(8) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(10) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(11) "Improvements" means:

(A) the installation, construction, or reconstruction of infrastructure that will serve a public good and fulfill the purpose stated in section 1907 of this subchapter; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(12) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(13) "Lifetime education property tax increment retention" means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(14) "Moderate-income housing" means housing for which the total annual cost of renting or ownership, as applicable, does not exceed 30 percent of the gross annual income of a household at 150 percent of the highest of the following:

(A) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(15) "Moderate-income housing development" means a housing development of which at least 25 percent of the units are moderate-income housing units. Moderate-income units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired.

(16) "Municipality" means a city, town, or incorporated village.

(17) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(18) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and

not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with section 1910c of this subchapter.

(19) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide that any housing unit within the housing development be offered exclusively as a primary residence until all indebtedness for the housing infrastructure project of which the housing development is part has been retired, provided that this condition shall be satisfied by biennially providing a landlord certificate or homestead declaration; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) But-for test. The Vermont Economic Progress Council shall review each application other than those for which the housing development is an affordable housing development to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether:

(1) at least 60 percent of the floor area of the projected housing development is dedicated to housing; or

(2) the projected housing development meaningfully addresses the purpose of section 1907 of this subchapter.

(e) Affordability criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is an affordable housing development or a moderate-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

(g) Approval. The Vermont Economic Progress Council shall approve or deny an application submitted pursuant to this section not later than 90 days following the site visit conducted as part of the application's review. The Vermont Economic Progress Council shall only approve tax increment financing for applications:

(1) that meet the process requirements, either of the project criteria of this section, and, for an application for which the housing development is not an affordable housing development, the but-for test;

(2) for which the Council has approved the tax increment financing plan; and

(3) that are submitted on or before December 31, 2035.

(h) Limit. The Vermont Economic Progress Council shall not annually approve more than $200,000,000.00 in aggregate lifetime education property tax increment retention.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont

Economic Progress Council may extend this debt incursion period by up to three years.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, the debt incursion period ends.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the

direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the affordability criterion of section 1910 of this subchapter, up to 75 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the affordability criterion of section 1910 of this subchapter, up to 85 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the

combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the 10th year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first 10 years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means that provides the aggregate lifetime education property tax increment retention approved that year, describes common reasons applicants to the Community and Housing Infrastructure Program fail to secure approval for tax increment

financing, and includes for each housing infrastructure project approved pursuant to this subchapter the following:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the sale prices for initial offerings of any housing units;

(6) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(7) projected and actual incremental revenue amounts;

(8) the allocation of incremental revenue, including the amount allocated to related costs;

(9) projected and actual financing; and

(10) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an

account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING; GUIDANCE

(a) Authority to adopt rules and guidance.

(1) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

(2) The Vermont Economic Progress Council shall issue guidance to implement this subchapter on or before November 15, 2025. Upon issuance, the Vermont Economic Progress Council shall publicly post and submit to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means any guidance documents.

(b) Authority to issue decisions.

(1) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(2) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (b) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(3) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(c) Remedy for noncompliance. If the Secretary issues a decision under subsection (b) of this section that includes a finding of noncompliance and that noncompliance has resulted in the improper reduction in the amount due the Education Fund, the Secretary, unless and until the Secretary is satisfied that there is no longer any such failure to comply, shall request that the State Treasurer bill the municipality for the total identified underpayment. The amount of the underpayment shall be due from the municipality upon receipt of the bill. If the municipality does not pay the underpayment amount within 60 days, the amount may be withheld from any funds otherwise payable by the State to the municipality or a school district in the municipality or of which the municipality is a member.

(d) Referral; Attorney General. In lieu of or in addition to any action authorized in subsection (c) of this section, the Secretary of Commerce and Community Development or the State Treasurer may refer the matter to the Office of the Attorney General with a recommendation that an appropriate civil action be initiated.

(e) Appeal; hearing officer. A hearing that is held pursuant to this section shall be subject to the provisions of 3 V.S.A. chapter 25 relating to contested cases. The hearing shall be conducted by the Secretary or by a hearing officer appointed by the Secretary. If a hearing is conducted by a hearing officer, the hearing officer shall have all authority to conduct the hearing that is provided for in the applicable contested case provisions of 3 V.S.A. chapter 25, including issuing findings of fact, hearing evidence, and compelling, by subpoena, the attendance and testimony of witnesses.

Sec. 21. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from ~~his or her~~ the member's region.

(3) Exclusively for purposes of reviewing and approving housing infrastructure project applications under the Community and Housing Infrastructure Program, the Council shall additionally have three nonvoting members:

(A) the Executive Director of the Vermont Housing Finance Agency or designee;

(B) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(C) the Commissioner of Housing and Community Development or designee.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 22. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM; VERMONT ECONOMIC PROGRESS COUNCIL; HOUSING DEVELOMPENT SITE; REPORT

On or before December 15, 2025, the Vermont Economic Progress Council shall report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on considerations for amending the definition of "housing development site" under 24 V.S.A. §§ 1906 and 1908 to support the Community and Housing Infrastructure Program, including a recommendation on whether to include immediately contiguous parcels in the definition.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 23. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the

dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 24. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * Effective Dates * * *

Sec. 25. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 7 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

SEN. ALISON CLARKSON
SEN. KESHA RAM HINSDALE
SEN. CHRISTOPHER P. MATTOS

Committee on the part of the Senate

REP. MARC. B. MIHALY
REP. CHARLES A. KIMBELL
REP. MICHAEL J. MARCOTTE

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 321.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to miscellaneous cannabis amendments.

Was taken up.

The House concurs in the Senate proposal of amendment with further proposal of amendment as follows:

First: By striking out Sec. 4, 7 V.S.A. § 881, in its entirety and inserting in lieu thereof the following:

Sec. 4. [Deleted.]

Second: By striking out Sec. 8, 7 V.S.A. § 901, in its entirety and inserting in lieu thereof the following:

Sec. 8. [Deleted.]

Third: By striking out Sec. 11, 7 V.S.A. § 904c, in its entirety and inserting in lieu thereof the following:

Sec. 11. [Deleted.]

Fourth: By striking out Sec. 12, 7 V.S.A. § 910, in its entirety and inserting in lieu thereof the following:

Sec. 12. [Deleted.]

Fifth: By striking out Secs. 15a and 15b, Cannabis Showcase Event Permit Pilot and report, in their entireties and inserting in lieu thereof the following:

Sec. 15a. [Deleted.]

Sec. 15b. [Deleted.]

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

Senate Resolution Recommitted

S.R. 16.

Senate resolution entitled:

Senate resolution opposing recent federal actions that threaten public health and urging their swift reversal.

Was taken up.

Thereupon, pending the reading of the report of the Committee on Health and Welfare, on motion of Senator Gulick, the resolution was recommitted to the Committee on Health and Welfare.

Rules Suspended; Bill Delivered

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 127.

Rules Suspended; Bill Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered messaged to the House forthwith:

H. 321.

Point of Privilege Journalized

During announcements, on a point of personal privilege, Senator Douglass addressed the Chair, and on motion of Senator Westman, his remarks were entered into the Journal.

"I rise today to share a bit of hopeful and heartwarming news, the kind that reminds us, in the midst of our long days in this building, why the work we do

matters so deeply to the families of Vermont.

”For those of you who aren't already aware, my wife and I are expecting our first child this coming fall, a boy. For many years we believed we might never have this chance because of significant fertility concerns. But after years of uncertainty and hope, we have been blessed.

“Even though we're months away, we certainly feel his presence, especially my wife, who is very familiar with his kicking. Apparently, he has strong opinions already, maybe he has a future as a Senator, but I'll still love him if hes a House Member.

”I'm grateful. We're celebrating him not only for the joy he's brought, but as a powerful reminder that hope endures, and that sometimes, dreams come true. An even though he's not here yet, I want him to know that I love him and I 'm already proud of him.

“Thank you, Mr President.”

Recess

On motion of Senator Baruth the Senate recessed until eight-thirty in the evening.

Called to Order

The Senate was called to order by the President.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator Collamore, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

Shippee, Rhonda of Morgan - Member of the Vermont Economic Development Authority - July 1, 2024 to June 30, 2030.

Johnson, William J. of Isle La Motte - Member of the Electricians' Licensing Board - April 15, 2024 to June 30, 2024.

Recess

On motion of Senator Baruth the Senate recessed until ten o'clock in the evening.

Called to Order

The Senate was called to order by the President.

Message from the House No. 80

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 45. An act relating to protection from nuisance suits for agricultural activities.

And has adopted the same on its part.

Rules Suspended; Immediate Consideration; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 45.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended, and the following bill was taken up for immediate consideration:

An act relating to protection from nuisance suits for agricultural activities.

Senator Norris, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

An act relating to protection from nuisance suits for agricultural activities.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment with further proposal of amendment in Sec. 1, 12 V.S.A. chapter 195, section 5753, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) The nuisance protection for an agricultural activity provided for under subsection (a) of this section shall not apply if the plaintiff demonstrates one or more of the following:

(1) A nuisance violation results from the negligent operation of an agricultural activity.

(2) The agricultural activity has a substantial adverse effect on health, safety, or welfare based upon objective, documented medical or scientific evidence that the agricultural activity was the proximate cause of the alleged effect.

(3) A reasonable person would find that the agricultural activity was a proximate cause of a noxious and significant interference with the use and enjoyment of the neighboring property.

SEN. ROBERT W. NORRIS
SEN. ROBERT PLUNKETT
SEN. RUSSELL H. INGALLS

Committee on the part of the Senate

REP. DAVID K. DURFEE
REP. MARTIN J. LALONDE
REP. LELAND J. MORGAN

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Appointment Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator Collamore, the following Gubernatorial appointment was confirmed by the Senate, without a report given by the Committee to which it was referred and without debate:

Chase, Heather of Chester - Member of the Vermont Economic Progress Council - April 28, 2025 to March 31, 2029.

Rules Suspended; Bill Delivered

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 45.

Recess

On motion of Senator Baruth the Senate recessed until eleven o'clock in the evening.

Called to Order

The Senate was called to order by the President.

Senate Concurrent Resolution

The following joint concurrent resolution, having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, was adopted on the part of the Senate:

Offered By Senators Watson, Cummings and Perchlik,

Offered by Reps. Casey and McCann,

S.C.R. 6.

Senate concurrent resolution honoring Montpelier City Manager William J. Fraser for three decades of distinguished municipal public service.

Adjournment

On motion of Senator Baruth, the Senate Adjourned until two o'clock in the afternoon on Saturday, May 31, 2025.